

AGENCY AGREEMENT

June 29, 2018

Green Star Biosciences Inc.
c/o TingleMerrett LLP
1250, 639-5th Avenue S.W.
Calgary, AB T2P 0M9

Attention: Ralph Olson, Director

Dear Sirs:

Mackie Research Capital Corporation (the "**Agent**") hereby agrees to offer for purchase and sale on a commercially reasonable efforts agency basis, and Green Star Biosciences Inc. (the "**Corporation**") agrees to issue and sell through the Agent up to 12,857,143 units of the Corporation ("**Units**") at a price of \$0.35 per Unit (the "**Offering Price**"), for aggregate gross proceeds of up to \$4,500,000, upon and subject to the terms and conditions hereof. Each Unit shall consist of one Common Share (as defined herein) of the Corporation (a "**Unit Share**") and one half of one warrant (each whole warrant, a "**Warrant**"). Each Warrant is exercisable into one Common Share (as defined herein) of the Corporation (a "**Warrant Share**") at \$0.75 per Warrant Share for a period of 24 months from the Closing Date.

If the Corporation has not completed a Liquidity Event (as defined herein) by the later of (i) 120 days following the Closing Date, or (ii) November 30, 2018 (the "**Liquidity Expiry Date**"), each Purchaser shall be entitled to that number of Units equal to 0.10 of the number of Units issued to the Purchaser pursuant to the Offering (the "**Penalty Units**"), provided that for each additional sixty (60) day period after the Liquidity Expiry Date that the Corporation has not completed a Liquidity Event, each Purchaser shall be entitled to an additional 0.05 of the number of Units issued to the Purchaser pursuant to the Offering, at the end of any such sixty (60) day period (the "**Penalty Provision**"). Each Penalty Unit shall have the same terms as a Unit.

The Agent may arrange for Purchasers in the Selling Provinces (as defined herein) or in those jurisdictions outside Canada as agreed to between the Agent and the Corporation.

In consideration of the services to be rendered in connection with the Offering by the Agent, the Corporation at the Closing Time, shall pay to the Agent a commission ("**Agent's Commission**") in an amount equal to 7.0% of the gross proceeds received by the Corporation from the issue and sale of the Units, excluding gross proceeds received from the sale of Units to Purchasers on the President's List (as defined herein). The Agent's Commission shall be payable in cash. In addition, at the Closing Time, the Corporation shall pay to the Agent a fee equal to \$40,000 plus GST in consideration of corporate finance services provided by the Agent to the Corporation, which shall be payable in cash (the "**Corporate Finance Fee**"). The Corporation will also grant the Agent compensation options (the "**Compensation Options**") in an amount equal to 7.0% of the number of Units sold under the Offering, excluding Units sold to Purchasers on the President's List, each Compensation Option exercisable to acquire one Unit of the Corporation, each Unit comprised of one Common Share of the Corporation (the "**Compensation Option Shares**") and one half of one Warrant of the Corporation (each whole

Warrant, a "**Compensation Option Warrant**") at the Offering Price for a period of 24 months following a Liquidity Event. Each Compensation Warrant is exercisable into one Common Share of the Corporation (an "**Option Warrant Share**") at \$0.75 per Option Warrant Share for a period of 24 months from the Closing Date.

The offering of the Units by the Corporation described in this Agreement is hereinafter referred to as the "**Offering**". As the context may require, references herein to "**Units**" shall include the "**Penalty Units**" and the "**Compensation Option Units**". References to "**Unit Shares**", "**Warrants**" and "**Warrant Shares**" shall include any securities issued upon exercise of Penalty Units and the Compensation Options.

The following are the schedules attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A" – List of Convertible Securities

DEFINITIONS

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

"**Agreement**" means the agreement resulting from the acceptance by the Corporation of the offer made hereby;

"**Alternative Transaction**" means any equity or debt financing, merger, amalgamation, arrangement, business combination, take-over bid, insider bid, issuer bid, reorganization, joint venture, sale or exchange of a part of, all of, or substantially all of the assets or securities of the Corporation or any similar transaction involving the Corporation with any arm's length party;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Vancouver;

"**Canadian Securities Regulators**" means the applicable securities commission or securities regulatory authority in each of the Selling Provinces;

"**Closing**" means the closing of the purchase and sale and the issuance by the Corporation of the Units;

"**Closing Date**" means June 29, 2018 or such other date as agreed to by the Corporation and the Agent;

"**Closing Time**" means 10:00 a.m. (Calgary time) on the Closing Date, or such other time as the Corporation and the Agent may agree;

"**Common Shares**" means the class A common shares in the capital of the Corporation which the Corporation is authorized to issue, as constituted on the date hereof;

"**Disclosure Documents**" means, collectively, any information provided on the Corporation's website and all agreements, records, corporate documentation, financial, marketing, regulatory, sales and operational information provided by the Corporation to the Agent;

"Exemptions" means the exemptions from the prospectus or registration requirements of the Securities Laws as contemplated in the form of Subscription Agreements;

"Financial Statements" means the financial statements of the Corporation as at March 31, 2018 and the notes thereto, consisting of consolidated statements of financial position and the accompanying consolidated statements of operations and comprehensive loss, consolidated statements of cash flows and consolidated statements of shareholders' equity of the Corporation and all notes in respect thereof;

"Governmental Authority" means any (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, bureau or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any foregoing, and any stock exchange or self-regulatory authority and, for greater certainty, includes the Securities Regulators;

"knowledge", where any representation or warranty contained in this Agreement is expressly qualified by reference to the "knowledge" of the Corporation, or where any other reference is made herein to the knowledge of the Corporation (or similar phrases), shall be deemed to refer to the actual knowledge, after due enquiry, of the Chief Executive Officer and Chief Financial Officer of the Corporation;

"Laws" means all laws, statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, policies, voluntary restraints, guidelines of any Governmental Authority, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used, whether applicable in Canada or the United States or any other jurisdiction; and "Law" means any one of them. Notwithstanding the foregoing, the definition of Laws excludes any U.S. federal laws, statutes, codes, ordinances, decrees, rules, regulations which apply to the production, trafficking, distribution, processing, extraction, and/or sale of marijuana (cannabis) and related substances;

"Letter Agreement" means the letter agreement dated April 25, 2018, between the Agent and the Corporation relating to the Offering;

"Liquidity Event" means one of the following events that results in the Corporation being listed as a reporting issuer on a recognized exchange, including:

- i. the filing of a final prospectus in relation to an initial public offering of the Corporation;
- ii. the filing of a final decision document in relation to a reverse take-over whereby a publicly listed company acquires all the issued and outstanding common shares of the Corporation;
- iii. a change of control of the Corporation which includes (a) a merger or acquisition in which the Corporation is not the surviving entity, other than a transaction the principal purpose of which is to change the incorporating jurisdiction of the

Corporation; (b) the sale, transfer or other disposition of all or substantially all of the assets of the Corporation; or (c) any other corporate reorganization or business combination pursuant to which 50% or more of the outstanding voting stock of the Corporation is transferred, or exchanged through merger, to different holders in a single transaction of the Corporation or in a series of related transactions;

"Liquidity Expiry Date" has the meaning ascribed on page 1 of this Agreement;

"Material Adverse Effect" or **"Material Adverse Change"** means any effect or change on the Corporation or its businesses that is or is reasonably likely to be materially adverse to the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation and its businesses, taken as a whole, after giving effect to this Agreement and the transactions contemplated hereby or that is or is reasonably likely to be materially adverse to the completion of the transactions contemplated by this Agreement;

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

"Offering" means the offering of the Units pursuant to this Agreement;

"Penalty Provision" has the meaning ascribed on page 1 of this Agreement;

"person" shall be broadly interpreted and shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust or other legal entity;

"President's List" means Purchasers that are introduced by the Corporation, which Purchasers may purchase up to a maximum of \$1,500,000 of Units under the Offering;

"Purchasers" means the purchasers of Units pursuant to the Offering;

"Selling Jurisdictions" means, collectively, the Selling Provinces and those jurisdictions outside Canada and the United States that are agreed to by the Agent and the Corporation;

"Selling Provinces" means, collectively, Alberta, British Columbia, Ontario, Saskatchewan and Québec;

"Securities" means the Units, Penalty Units, Unit Shares, Warrants, Warrant Share, Compensation Options Units, Compensation Option Shares, Compensation Option Warrants and Option Warrant Shares;

"Securities Laws" means, unless the context otherwise requires, all applicable securities laws in each of the Selling Provinces and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

"Securities Regulators" means, collectively, the Canadian Securities Regulators;

"Subscription Agreements" means the subscription agreements in the form previously agreed to between the Corporation and the Agent, between a Purchaser and the Corporation under which the Purchaser agrees to purchase Units upon the terms and conditions contained therein;

"United States" or **"U.S."** means the United States of America, its territories and possessions, and

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

TERMS AND CONDITIONS

1. OFFERING RESTRICTIONS

1.1 The Agent covenants and agrees that it has solicited and will only solicit subscriptions for Units in accordance with the terms and conditions of this Agreement and in compliance with the Securities Laws, to persons who represent themselves as being:

(a) either:

- (i) a resident in one of the Selling Jurisdictions who meets the requirement of one of the Exemptions; or
- (ii) a resident of a jurisdiction outside of Canada and the United States for whom an Exemption is available for the sale of Units to such person and for whom the Corporation will not be required to prepare any documents, make any foreign filings, or take any further steps and procedures to permit the issue and sale of the Units to such Purchaser to be made in compliance with the laws of the jurisdiction in which the Purchaser is resident; and

and that it will not make available to prospective purchasers of the Units any document or material which would constitute an offering memorandum under applicable Securities Laws, if not permitted, having regard to the exemptions being utilized for the issuance of the Units.

1.2 Neither the Corporation nor the Agent will: (i) provide to prospective Purchasers any document or other material or information that would constitute an offering memorandum within the meaning of Securities Laws; provided, however, that the Corporation prepared and provided a presentation to potential investors (including potential investors in the Province of Ontario), and the Corporation will file such presentation within 10 days of the Closing Date with the Ontario Securities Commission as required by Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Units, including but not limited to, causing the sale of the Units to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Units whose attendees have been invited by general solicitation or advertising.

1.3 The Agent acknowledges that none of the Securities have been or will be registered under the U.S. Securities Act or the securities laws of any state of the United States.

1.4 Each Purchaser is subject to a \$5,000 minimum subscription.

2. SUBSCRIPTIONS

The Agent will obtain from each Purchaser introduced by the Agent, and deliver to the Corporation, a minimum of 24 hours before the Closing Time, duly completed and executed Subscription Agreements. The Corporation will duly execute and deliver the Subscription Agreements at the Closing Time and will comply with and satisfy all terms, conditions and covenants therein to be complied with or satisfied by the Corporation.

3. FILINGS WITH THE SECURITIES REGULATORS

The Corporation will, within ten (10) days of the Closing Date, file with the Canadian Securities Regulators any report required to be filed by Securities Laws in connection with the Offering, in the required form and provide the Agent's counsel with copies of the report or reports.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION

The Corporation represents, warrants and covenants to and with the Agent that:

- (a) Incorporation and Organization: The Corporation has been incorporated and is a valid and subsisting corporation under the laws of its jurisdiction of existence and has all requisite corporate power and capacity to carry on its business as now conducted or proposed to be conducted and to own or lease and operate the property and assets thereof;
- (b) Authorized Capital: The Corporation is authorized to issue an unlimited number of Common Shares of which, as of the date hereof, 46,845,508 Common Shares are issued and outstanding as fully paid and non-assessable shares;
- (c) Subsidiaries: The Corporation does not beneficially own or exercise control or direction over 10% or more of the outstanding voting shares of any company that holds any assets or conducts any operations;
- (d) Listing: The Common Shares are not listed and posted for trading on any stock exchange and the Corporation has not made any application to any stock exchange for listing of the Common Shares;
- (e) Certain Securities Law Matters: The Corporation is not a reporting issuer or the equivalent only in any jurisdiction, and is not in default of any material requirement of the Securities Laws of any of jurisdiction;
- (f) No Shareholders Agreement: No shareholders agreement or similar agreement affecting the business, affairs or governance of the Corporation or the rights of shareholders of the Corporation (including, without limitation, the ability of such shareholders to transfer or vote their shares of the Corporation) exists;

- (g) Rights to Acquire Securities: No person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued common shares or other securities of the Corporation, except as disclosed in Schedule "A" hereto;
- (h) No Pre-emptive Rights: The issue of the Securities will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Corporation or to which the Corporation is subject;
- (i) Warrants: The Warrants will have the terms and attributes as outlined in this Agreement and in the Subscription Agreement;
- (j) Issue of Securities: All necessary corporate action has been taken, or will be taken before Closing, to authorize the issue and sale of, and the delivery (in definitive form or electronic form) of certificates representing, the Unit Shares and Warrants, and, upon due exercise of any Warrants, the Warrant Shares issuable thereunder will be validly issued as fully paid and non-assessable Common Shares;
- (k) Issue of Penalty Units: The Corporation agrees to issue the Unit Shares and Warrants underlying any Penalty Units required to be issued pursuant to this Agreement not later than five (5) Business Days after the Liquidity Expiry Date and for all additional Penalty Units issuable each additional sixty (60) days following the Liquidity Expiry Date (each a "**Sixty Day Period**"), the Corporation agrees to issue the underlying Unit Shares and Warrants not later than five (5) Business Days after the end of each Sixty Day Period.
- (l) Resale Restrictions: The Corporation agrees that the Unit Shares, Warrants and Warrant Shares will be subject to a restricted hold period from Closing in compliance with National Instrument 45-102 – Resale of Securities ("**NI 45-102**") and the Corporation further agrees that the Unit Shares, Warrants and Warrant Shares issued pursuant to the Penalty Units will be subject to a restricted hold period from the date of issuance, in compliance with NI 45-102;
- (m) Consents, Approvals and Conflicts: None of the offering and sale of the Securities, the execution and delivery of this Agreement, the Subscription Agreements or the Warrants, the compliance by the Corporation with the provisions of this Agreement or the consummation of the transactions contemplated herein and therein including, without limitation, the issue of the Securities upon the terms and conditions as set forth herein, do or will (i) subject to compliance by the Agent with the provisions of this Agreement, require the consent, approval, authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other person, except (A) such as have been, or will by the Closing Date, be obtained, or (B) such as may be required under the Securities Laws of any of the Selling Provinces and will be obtained by the Closing Date, or (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the

Corporation is a party or by which it or any of the properties or assets thereof is bound, or the articles or any other constating document of the Corporation or any resolution passed by the directors (or any committee thereof) or shareholders thereof, or any statute or 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 any of the properties or assets thereof;

- (n) Authority and Authorization: The Corporation has all requisite corporate power and capacity to enter into this Agreement, the Subscription Agreements, the Warrants and the Compensation Options 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 thereunder and the Corporation has taken, or will have taken before Closing, all necessary corporate action to authorize the execution and delivery of, and performance of its obligations under, this Agreement, Subscription Agreements, the Warrants and the Compensation Options and to observe and perform its obligations under this Agreement, the Warrants and the Compensation Options in accordance with the provisions thereof including, without limitation, the issue of the Securities upon the terms and conditions set forth herein;
- (o) No Material Adverse Change: Since April 25, 2018, there has not been any Material Adverse Change and there has been no event or occurrence that would reasonably be expected to result in a Material Adverse Change;
- (p) Validity and Enforceability: This Agreement and the Subscription Agreements have been authorized, executed and delivered by the Corporation and constitute valid and legally binding obligations of the Corporation enforceable against the Corporation in accordance with their terms and the Warrants the Compensation Options will be authorized, executed and delivered by the Corporation on or prior to the Closing Date and will each constitute a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its respective terms, except in any case as enforcement of such agreements may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver and the ability to sever unenforceable terms may be limited by applicable law;
- (q) Disclosure Documents: The Disclosure Documents do not contain any misrepresentations, do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, are not misleading and such documents collectively constitute full, true and plain disclosure of all material facts relating to the Corporation and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, as of the date

thereof. There is no fact known to the Corporation which the Corporation has not disclosed to the Agent which results in a Material Adverse Effect, or so far as the Corporation can reasonably foresee, will have a Material Adverse Effect or materially adversely affect the ability of the Corporation to perform its obligations under this Agreement;

- (r) No Cease Trade Order: No order preventing, ceasing or suspending trading in any securities of the Corporation or prohibiting the issue and sale of securities by the Corporation is issued and outstanding and no proceedings for either of such purposes have been instituted or, to the best of the knowledge of the Corporation, are pending, contemplated or threatened;
- (s) Accounting Controls: The Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance: (i) that transactions are completed in accordance with the general or a specific authorization of management or directors of the Corporation; (ii) that transactions are recorded as necessary to permit the preparation of the financial statements for the Corporation in conformity with International Financial Reporting Standards (IFRS) and to maintain asset accountability; (iii) that access to assets of the Corporation is permitted only in accordance with the general or a specific authorization of management or directors of the Corporation; (iv) that the recorded accountability for assets of the Corporation is compared with the existing assets of the Corporation at reasonable intervals and appropriate action is taken with respect to any differences therein; and (v) regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Corporation's assets that could have a material effect on its financial statements or interim financial statements;
- (t) Financial Statements: The Financial Statements and all notes will be, when completed, prepared to, (i) comply as to form in all material respects with the requirements of the applicable Securities Laws, (ii) present fairly, in all material respects, the financial position of the Corporation and its financial performance and its cash flows and other information purported to be shown therein at the respective dates and for the respective periods to which they apply, (iii) be in accordance with Canadian Accounting Standards for Private Enterprises, consistently applied throughout the period covered thereby, and all adjustments necessary for a fair presentation of the results for such periods have been made in all material respects, and (iv) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation. The Financial Statements accurately reflect, or will accurately reflect, when completed, the financial position of the Corporation as at the date thereof and no material changes in such position have taken place since the date thereof, save in the ordinary course of the Corporation's business;
- (u) Changes in Financial Position: Since March 31, 2018, other than as disclosed to the Agent, the Corporation has not:
 - (i) paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;

- (ii) incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business; and
 - (iii) entered into any material transaction or made a significant acquisition;
- (v) Insolvency: The Corporation has not 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 encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest 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;
- (w) Applicable Laws: The Corporation has complied and will comply in all material respects with the requirements of all applicable corporate and securities laws and administrative policies and directions, including all relevant Laws and regulations of the production and sale of marijuana and related products as applicable to the jurisdictions in which each of the Corporation conducts business in all matters relating to the Offering and the issuance of the Corporation's securities thereunder;
- (x) No Contemplated Changes: The Corporation has not approved or has entered into any agreement in respect of, or has any knowledge of:
 - (i) the purchase of any material property or assets or any interest therein or, other than as disclosed to the Agent, the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Corporation whether by asset sale, transfer of shares or otherwise;
 - (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or otherwise) of the Corporation; or
 - (iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the shares of the Corporation;
- (y) Taxes and Tax Returns: The Corporation has filed and will file in a timely manner all necessary tax returns and notices that are due and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and the Corporation is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to have a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by any of them or

the payment of any material tax, governmental charge, penalty, interest or fine against any of them. There are no material actions, suits, proceedings, investigations or claims now threatened or, to the best knowledge of the Corporation, pending against the Corporation which could result in a material liability in respect of taxes, charges or levies of any Governmental Authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any Governmental Authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Corporation have 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 therefrom, 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 legislation;

- (z) Compliance with Laws, Licenses and Permits: The Corporation has conducted and is conducting the business thereof in compliance in all material respects with all applicable Laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on the business currently carried on by it, is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits and licenses and with all Laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and to enable its assets to be owned or to be leased and operated as currently leased and operated, and all such approvals, consents, certificates, authorizations, qualifications, permits and licenses held are valid and existing and in good standing and the Corporation has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit or license which, individually or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would have a Material Adverse Effect, nor has the Corporation received a notice of non-compliance, nor know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Laws, regulations and statutes that would result in a Material Adverse Effect;
- (aa) Agreements and Actions: The Corporation is not in violation of any term of any constating document thereof. The Corporation is not in violation of any term or provision of any agreement, indenture or other instrument applicable to it which would, or could reasonably be expected to, result in any Material Adverse Effect, the Corporation is not in default in the payment of any material obligation owed which is now due, if any, and there is no action, suit, proceeding or investigation commenced, threatened or, to the knowledge of the Corporation after due inquiry, pending which, either in any case or in the aggregate, might result in any Material Adverse Effect or which places, or could reasonably be expected to

place, in question the validity or enforceability of this Agreement or any document or instrument delivered, or to be delivered, by the Corporation pursuant hereto;

- (bb) Title to Assets: The Corporation is the legal and beneficial owner of, and has good and marketable title to, its assets as disclosed to the Agent. Except as disclosed to the Agent such interests are free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no other rights are necessary for the conduct of the activities of the Corporation as currently conducted or as disclosed to the Agent, and the Corporation does not know of any claim or the basis for any claim that might or could materially adversely affect the right thereof to use, transfer or otherwise exploit such property rights;
- (cc) Material Agreements: Any and all of the agreements and other documents and instruments pursuant to which the Corporation holds its assets (including any interest in, or right to earn an interest therein) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable against the Corporation, as applicable, in accordance with the terms thereof; the Corporation is not in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and the Corporation's assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated; all material leases, licences and claims pursuant to which the Corporation derives the interests in such property and assets are in good standing and, to the knowledge of the Corporation, there has been no material default under any such lease, licence or claim. None of the leases, licences or claims pursuant to which the Corporation derives its interests are subject to any right of first refusal or purchase or acquisition right which has not been disclosed to the Agent;
- (dd) Leased Premises: The Corporation have the exclusive right to occupy and use any leased premises and each of the leases pursuant to which the Corporation occupies the leased premises is in good standing and in full force and effect;
- (ee) Operations: To the Corporation's knowledge, all operations of the Corporation have been conducted in all material respects in accordance with all applicable workers' compensation and health and safety and workplace Laws, regulations and policies have been duly complied with. The Corporation has security measures and safeguards in place to protect personal information it collects from customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Corporation has complied, in all material respects, with all applicable privacy and consumer protection legislation and neither has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation has taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse.

- (ff) Legislation: The Corporation is not aware of any proposed material changes to existing legislation, or proposed legislation published by a legislative body, which it anticipates will result in a Material Adverse Effect;
- (gg) No Defaults: The Corporation is not in default of any material term, covenant or condition under or in respect of any judgement, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Corporation is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any material amount owing thereunder or which could have a Material Adverse Effect;
- (hh) Compliance with Employment Laws: The Corporation has not and is not engaged in any unfair labour practice, there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or, to the best of the knowledge of the Corporation, threatened against the Corporation, no union representation question exists respecting the employees of the Corporation and no collective bargaining agreement is in place or currently being negotiated by the Corporation, the Corporation has not received any notice of any unresolved matter and there are no outstanding orders under any employment or human rights legislation in any jurisdiction in which the Corporation carries on business or has employees, no employee has any agreement as to the length of notice required to terminate his or her employment with the Corporation in excess of 24 months or equivalent compensation and all benefit and pension plans of the Corporation are funded in accordance with applicable laws and no past service funding liability exist thereunder;
- (ii) Employee Plans: Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drugs, 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 for the benefit of any current or former officer, director, employee or consultant of the Corporation has been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan;
- (jj) Accruals: All material 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 officer, director, employee or consultant of the Corporation have been accurately reflected in the books and records of the Corporation;
- (kk) Work Stoppage: There has not been, and there is not currently, any labour trouble which is having a Material Adverse Effect or could reasonably be expected to have a Material Adverse Effect;
- (ll) Environmental Compliance:

- (i) To the best of the knowledge of the Corporation, the property, assets and operations of the Corporation comply in all material respects with all applicable **Environmental Laws** (which term means and includes, without limitation, any and all applicable federal, provincial, state, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any **Environmental Activity** (which term means and includes, without limitation, any past or present activity, event or circumstance in respect of a **Contaminant** (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Law), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, 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);
- (ii) to the best of the knowledge of the Corporation, the Corporation has obtained all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the "**Environmental Permits**") necessary as at the date hereof for the operation of the businesses currently carried on by the Corporation, and each Environmental Permit is valid, subsisting and in good standing and, to the best knowledge of the Corporation, the Corporation is not in material default or breach of any Environmental Permit and, to the best of the knowledge of the Corporation, no proceeding is pending or threatened to revoke or limit any Environmental Permit;
- (iii) the Corporation does not have any knowledge of, and has not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may affect, the Corporation or any of the property, assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Corporation is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and neither the Corporation nor any of the property, assets or operations thereof 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;
- (iv) the Corporation has not given or filed any notice under any federal, provincial or local law with respect to any Environmental Activity, the

Corporation does not have any material liability (whether contingent or otherwise) in connection with any Environmental Activity and, to the knowledge of the Corporation, no notice has been given under any federal, state, provincial or local law or of any material liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Corporation or the property, assets, business or operations thereof;

- (v) the Corporation does not store any hazardous or toxic waste or substance on the property thereof and have not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and to the best of the knowledge of the Corporation, there are no Contaminants on any of the premises at which the Corporation carries on business, in each case other than in compliance with Environmental Laws; and
- (vi) to the best of the knowledge of the Corporation, the Corporation is not subject to any contingent or other material liability relating to non-compliance with Environmental Law;
- (mm) Environmental Audits: There are no environmental audits, evaluations, assessments, studies or tests relating to the Corporation except for ongoing assessments conducted by or on behalf of the Corporation in the ordinary course of business;
- (nn) No Litigation: There are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of the Corporation, threatened against any of the property or assets of the Corporation, at law or equity, or before or by any court, federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may result in a Material Adverse Effect or materially adversely affects the ability of any of them to perform the obligations thereof and the Corporation is not subject to any judgement, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority which, either separately or in the aggregate, may result in a Material Adverse Effect or materially adversely affects the ability of the Corporation to perform its obligations under this Agreement and there are no events or circumstances that the Corporation would reasonably expect to form the basis of any such action, suit, proceeding or investigation;
- (oo) Unlawful Payments: The Corporation has not, nor, to the best knowledge of the Corporation, any director, officer, agent, employee or other person associated with or acting on behalf of the Corporation, have (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of the *Corruption of Foreign Officials Act* (Canada) or the *Foreign Corrupt Practices Act* (United States), or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment;
- (pp) Anti-Money Laundering and Unlawful Payments:

- (i) The operations of the Corporation are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which the Corporation conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Corporation, threatened;
 - (ii) the Corporation has not, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation and their operations, and will not use any portion of the proceeds of the Offering, in contravention of such legislation; and
 - (iii) the Corporation or, to the best knowledge of the Corporation, any director, officer, agent, employee, affiliate or person acting on behalf of the Corporation has not been or is not currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department and the Corporation will not directly or indirectly use any proceeds of the distribution of the Units or lend, contribute or otherwise make available such proceeds to the Corporation or to any affiliated entity, joint venture partner or other person or entity, to finance any investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States;
- (qq) Insurance: The assets of the Corporation and its business operations are insured against loss or damage to the extent and in the amounts disclosed to the Agent, and such coverage are in full force and effect, and the Corporation has not materially breached the terms of any policies in respect thereof nor failed to promptly give any notice or present any material claim thereunder;
- (rr) Intellectual Property: The Corporation owns or possesses adequate enforceable rights to use all patents, trademarks, copyrights and trade secrets (the "IP") used or proposed to be used in the conduct of the business thereof, including the licensing of such patents, trademarks, copyrights and trade secrets and, to the

knowledge of the Corporation, after due inquiry, the Corporation is not infringing upon the rights of any other person with respect to any such IP and no other person has infringed any such IP. The Corporation represents and warrants that the IP held by the Corporation is existing and in good standing and the Corporation has made all requisite filings and paid all fees to ensure that such IP remains active and in good standing and the Corporation has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of such IP;

- (ss) Non-Arm's Length Transactions: Except as disclosed in the Disclosure Documents, the Corporation does not owe any amount to, nor does the Corporation have any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or securityholder of any of them or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act (Canada)*) with any of them except for usual employee reimbursements and compensation paid or other advances of funds in the ordinary and normal course of the business of the Corporation. Except employee or consulting arrangements made in the ordinary and normal course of business, the Corporation is not a party to any contract, agreement or understanding with any officer, director, employee or securityholder of any of them or any other person not dealing at arm's length with the Corporation. Except as described in the Disclosure Documents, no officer, director, employee or securityholder of the Corporation has any cause of action or other claim whatsoever against, or owes any amount to, the Corporation except for claims in the ordinary and normal course of the business of the Corporation such as for accrued vacation pay or other amounts or matters which would not be material to the Corporation;
- (tt) Minute Books: The minute books of the Corporation, all of which have been or will be made available to the Agent or counsel to the Agent, are complete and accurate in all material respects, except for minutes of board meetings or resolutions of the board of directors that have not been formally approved by the board of directors or items in the minute book that are not current, but which are not material;
- (uu) Commission: Other than the Agent, there is no person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement; and
- (vv) No Withholding of Material Facts: The Corporation has not intentionally withheld from the Agent any material fact relating to the Corporation.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AGENT

The Agent hereby represents, warrants and covenants to and with the Corporation that:

- (a) it is duly qualified and registered to carry on business as a dealer in each of the jurisdictions where the sale of the Units requires such qualification and/or

registration in a manner that permits the sale of the Units on the basis described in Section 1.1;

- (b) it has all requisite corporate power and authority to enter into, deliver and carry out its obligations under this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (c) it shall offer and solicit offers for the purchase of the Units in compliance with Securities Laws and only from such persons and in such manner that, pursuant to Securities Laws, no prospectus, registration statement or similar document need be delivered or filed, other than any prescribed reports of the issue and sale of the Units and, in the case of any jurisdiction other than the Selling Provinces, no filing or other continuous disclosure obligations will be created;
- (d) it will only make offers or sales of Units in accordance with the terms of this Agreement and the Subscription Agreements and has not made, and will not make, any representations or warranties about the Corporation and/or the Units other than as set out in Disclosure Documents;
- (e) it will not engage in any form of general solicitation or general advertising within the meaning of Securities Laws in connection with the offer and sale of the Units, including but not limited to, causing the sale of the Units to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Units whose attendees have been invited by general solicitation or advertising, in either case in violation of Securities Laws;
- (f) it shall not provide prospective purchasers of the Units any document or other material or information that would constitute an offering memorandum within the meaning of Securities Laws and shall not make use of any greensheet or other internal marketing document, without the consent of the Corporation; and
- (g) it will provide the Corporation on the Closing Date with all necessary information in respect of the Agent and the Purchasers to allow the Corporation to file with the Canadian Securities Regulators reports of the trades of the Units in accordance with Securities Laws and the required time frames.

6. CLOSING DELIVERIES

The purchase and sale of the Units shall be completed at the Closing Time at the offices of TingleMerrett LLP in Calgary, Alberta, or at such other place as the Agent and the Corporation may agree. At or prior to the Closing Time, the Corporation shall duly and validly deliver to the Agent: one or more certificate(s) representing the Unit Shares and Warrants, one or more certificate(s) representing the Compensation Options, as the case may be, registered in such name or names as the Agent may notify the Corporation in writing not less than 48 hours prior to Closing Time against payment by the Agent to the Corporation, at the direction of the Corporation, in lawful money of Canada by certified cheque or wire transfer an amount equal to

the aggregate purchase price for the Units being issued and sold hereunder, less the Corporate Finance Fee and all of the estimated out-of-pocket expenses of the Agent payable by the Corporation to the Agent in accordance with Section 16 hereof. Notwithstanding the foregoing, Unit Shares and Warrants sold pursuant to Regulation D under the U.S. Securities Act shall be issued in definitive form and registered in the name of the purchasers thereof or their nominees.

7. CONDITIONS OF CLOSING

Closing shall be subject to the following conditions (it being understood that the Agent may waive in whole or in part or extend the time for compliance with any of such terms and conditions without prejudice to their rights in respect of any other of the following terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agent any such waiver or extension must be in writing):

- (a) the Agent shall have received an opinion, dated the Closing Date and subject to customary qualifications, of TingleMerrett LLP, the Corporation's legal counsel, addressed to the Agent, its legal counsel and the Purchasers as to all legal matters reasonably requested by the Agent or, instead of rendering opinions relating to the laws of the Selling Provinces, the Corporation's solicitors may engage one or more legal counsel in the Selling Provinces or elsewhere to provide such local counsel opinions as may be necessary;
- (b) the Agent shall have received an incumbency certificate dated the Closing Date including specimen signatures of the Chief Executive Officer, the Chief Financial Officer and any other officer of the Corporation signing this Agreement or any document delivered hereunder;
- (c) the Agent shall have received a certificate, dated the Closing Date, of such two senior officers of the Corporation as are acceptable to the Agent, addressed to the Agent and their counsel to the effect that, to the best of their knowledge, information and belief, after due enquiry and without personal liability:
 - (i) the representations and warranties of the Corporation in this Agreement are true and correct in all material respects as if made at and as of the Closing Time and the Corporation has performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied in all material respects at or prior to the Closing Time; and
 - (ii) no order, ruling or determination having the effect of suspending the sale or ceasing, suspending or restricting the trading of Common Shares in the Selling Provinces has been issued or made by any stock exchange, securities commission or regulatory authority and is continuing in effect and, to the knowledge of the officers, no proceedings, investigations or enquiries for that purpose have been instituted or are pending;
- (d) the Agent shall have received copies of the articles and by-laws of the Corporation delivered at Closing certified by a senior officer of the Corporation to be full, true and correct copies, unamended, and in effect on the date thereof;

- (e) the Agent shall have received copies of the minutes or other records of various proceedings and actions of the Corporation's Board of Directors relating to the Offering and delivered at Closing certified by a senior officer of the Corporation to be full, true and correct copies thereof and without having been modified or rescinded as of the date thereof;
- (f) the Agent and their counsel shall have been provided with information and documentation reasonably requested relating to their due diligence inquiries and investigations and the Agent shall be satisfied, in their sole discretion, with the results of their due diligence inquiries and investigations;
- (g) the Agent shall have received a certificate of good standing in respect of the Corporation, dated no earlier than one Business Day before the Closing Date;
- (h) the Agent shall have received any other certificates, comfort letters, opinions or industry standard documents in connection with any matter relating to the Offering which are reasonably requested by the Agent.

8. ALL TERMS TO BE CONDITIONS

The Corporation agrees that the conditions contained in Section 7 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and that it will use its best efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of the conditions set out in Section 7 shall entitle the Agent to terminate their obligations 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 terms and conditions without prejudice to the rights of the Agent in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agent any such waiver or extension must be in writing.

9. MATERIAL CHANGES

The Corporation agrees that if, between the date of this Agreement and the Closing, a material change, or a change in a material fact occurs, the Corporation will as soon as practicable notify the Agent in writing, setting forth the particulars of such material change or change in a material fact (in any case, whether actual, anticipated, contemplated or threatened) or any event or development involving a prospective material change or change in a material fact in any or all of the business of the Corporation or any other change that is of such a nature as to result in, or could reasonably be expected to result in this Agreement, the Subscription Agreement or any documents prepared and filed with the Canadian Securities Regulators by the Corporation in connection with the Offering containing an untrue statement of material fact or omitting to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or which could render any of the foregoing not in compliance with Securities Laws.

10. TERMINATION OF AGREEMENT

- 10.1 In addition to any other remedies which may be available to the Agent, the Agent may terminate its obligations under this Agreement by delivering written notice to that effect to the Corporation at or prior to the Closing Time, if:
- (a) the Agent is not satisfied, in its sole discretion, acting reasonably, with the results of their due diligence review and investigations;
 - (b) there shall have occurred any material change or change in any material fact, or there shall be discovered any previously undisclosed material change or material fact, which, in each case, in the reasonable opinion of the Agent, has or would be expected to have a material adverse effect on the market price or value of any of the securities of the Corporation, including, without limitation, the Unit Shares and Warrants;
 - (c) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order is made by any federal, provincial, state, municipal or other governmental department, securities commission, board, bureau, agency or other instrumentality including, without limitation, the Canadian Securities Regulators or any securities regulatory authority, which inquiry, action, suit, investigation or other proceeding involves the Corporation or any of its securities, directors or officers (other than one based upon the activities or alleged activities of the Agent and not upon activities of the Corporation) or any law or regulation is enacted or changed which, in the opinion of the Agent prevents or restricts the trading of the securities of the Corporation or materially and adversely affects or will materially and adversely affect the market price or value of the Common Shares of the Corporation, or the distribution of the Unit Shares and Warrants;
 - (d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including, without limitation, an act of terrorism) or any law or regulation which, in the opinion of the Agent, acting reasonably, might materially adversely affect, or involve, or will materially adversely affect, or involve, the financial markets or the business, operations or affairs of the Corporation;
 - (e) the Corporation is in breach of, in default under or non-compliant with any representation, warrant, term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement is or becomes false;
 - (f) the Offering cannot, in the opinion of the Agent be profitably marketed due to the state of the financial markets;
 - (g) the Agent becomes aware of, as a result of their due diligence review or otherwise, of any Material Adverse Change, or a change in any material fact or any material fact with respect to the Corporation (in the sole opinion of the Agent) which has not been disclosed to the Agent prior to the date hereof;

- (h) any order to cease, halt or suspend trading (including an order prohibiting communications with persons in order to obtain expressions of interest) in the securities of the Corporation prohibiting or restricting the Offering is made by a Governmental Authority or Securities Regulator and that order is still in effect;
- (i) any term or condition of this Agreement remains outstanding and incomplete at any time after the time which the Corporation is required to complete or waive such term or condition; or
- (j) the Agent and the Corporation mutually agree to terminate this Agreement.

11. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

The representations, warranties, covenants and indemnities of the Corporation and the Agent contained in this Agreement will survive the Closing.

12. ALTERNATIVE TRANSACTION

- 12.1 If the Corporation does not proceed with the Offering for any reason within the scope of its control and during the period of six (6) months after the termination of this Agreement and the Corporation enters into a binding agreement in respect of an Alternative Transaction, the Corporation agrees to pay all expenses of the Agent in accordance with Section 16 herein and any and all of the Agent's Commission in accordance with page 1, to the extent that such expenses and the Agent's Commission have not already been paid by the Corporation. That portion of the Agent's Commission that would otherwise be payable and any unpaid expenses shall be payable immediately following the completion of the Alternative Transaction. For greater certainty, in the event that this Offering is terminated by the Agent prior to acceptance and the Corporation subsequently enters into a binding agreement in respect of, or makes a public announcement in respect of, an Alternative Transaction, the Corporation shall have no obligation to pay any Agent's Commission but shall remain liable for the Agent's Expenses.

13. INDEMNITY

- 13.1 In consideration of the services performed by the Agent under this Agreement, the Corporation and its affiliated companies (collectively, the "**Indemnitor**") hereby agrees to indemnify and save harmless, to the maximum extent permitted by law, the Agent and any of its affiliates and the directors, officers, employees and shareholders of the Agent (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agent (each a "**Claim**" and, collectively, the "**Claims**") to which an Indemnified Party may be subject to or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based,

directly or indirectly, upon the performance of professional services rendered to the Indemnitor by an Indemnified Party hereunder or otherwise in connection with the matters referred to in this Agreement, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable shall determine that:

- (a) an Indemnified Party has been negligent or dishonest or have committed any fraudulent act in the course of such performance, or have breached applicable laws; and
- (b) the expenses, losses, claims, damages or liabilities as to which indemnification is claimed, were directly caused by the negligence, dishonesty, fraud or breach referred to in subsection (a).

- 13.2 If for any reason, other than the occurrence of any of the events set out in subsections 13.1(a) and 13.1(b), the foregoing indemnification at section 13.1 is not available to the Agent or insufficient to hold them harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agent as a result of such expense, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agent on the other hand, but also the relative fault of the Indemnitor and the Agent, as well as any relevant equitable considerations, provided that the Indemnitor shall, in any event, contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Agent hereunder pursuant to the agreement to which this indemnity is attached.
- 13.3 The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agent by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or any Indemnified Party shall be 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 performance of professional services rendered to the Indemnitor by the Agent, the Agent shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by any Indemnified Party in connection therewith) and out-of-pocket expenses incurred by any Indemnified Party in connection therewith shall be paid by the Indemnitor as they occur unless caused pursuant to 13.1(a) and 13.1(b).
- 13.4 Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agent will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed.
- 13.5 The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and

conditions to any Indemnified Party and shall be binding upon and ensure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor and any Indemnified Party.

- 13.6 This section 13 shall survive the completion of professional services rendered under this Agreement.

14. INFORMATION

- 14.1 The Corporation acknowledges that the Agent will be conducting a due diligence investigation of the Corporation's business, properties, securities, management and affairs and the Corporation covenants that it will afford the Agent with access to the contracts, assets, commitments, corporate records and other documents that the Agent may reasonably request. The Corporation also covenants to use its best efforts to secure the cooperation of the Corporation's professional advisors (including its legal advisors, independent engineers and auditors) and the Corporation consents to the use and the disclosure of information obtained during the course of the due diligence investigation (including during the due diligence conference call) where such disclosure is required by law or required by the Agent to maintain a defense to any regulatory or other civil action.

- 14.2 The Agent will be entitled to rely on, and to assume, with no independent verification, the accuracy and completeness of all information furnished to them pursuant to this Section and the Agent will be under no obligation to verify, the accuracy or completeness of such information and under no circumstances will the Agent be liable to the Corporation for any damages arising out of the inaccuracy or incompleteness of any such information.

15. PUBLIC DISCLOSURE

- 15.1 The Corporation acknowledges and agrees that any and all written and oral opinions, advice, analysis and materials provided by the Agent in connection with the engagement herein is intended solely for the Corporation's benefit and internal use and the Corporation covenants and agrees that no such opinion, advice or material will be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose whatsoever without the Agent's prior written consent in each specific instance.
- 15.2 The Corporation agrees that no public announcement or press release concerning this Agreement or any other instrument related hereto, or the relationship between the Corporation and the Agent shall be made without prior written consent of the Agent, such consent not to be unreasonably withheld.
- 15.3 The Corporation acknowledges and agrees to include the following (or similar) legend at the top of the first page of any press release made in respect of the Offering:

"NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES."

and each such press release will include the following (or similar) disclosure:

"The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful."

- 15.4 If the Offering is successfully completed, the Agent shall be permitted to publish, at their own expense, after giving the Corporation a reasonable opportunity to comment on the form and content thereof, such advertisements or announcements relating to the performance of services provided hereunder in such newspaper or other publications as the Agent considers appropriate, and shall further be permitted to post such advertisements or announcements on its website; provided that if requested by the Corporation, such press release shall contain the legend and disclosure set forth in Section 15.3.

16. EXPENSES

The Corporation will pay all expenses related to the Offering, including all fees and disbursements of its own legal counsel, out of pocket costs, printing costs and filing fees. The Corporation will pay the expenses (the "**Agent's Expenses**") reasonably incurred by the Agent in connection with the transactions contemplated herein including, without limitation, the fees and disbursements of legal counsel for the Agent, provided that such legal expenses are not to exceed \$25,000 (exclusive of applicable taxes and disbursements) and expenses incurred by the Agent related to marketing road shows (including travel expenses, hotel accommodations and meals) and printing costs. All fees and expenses incurred by the Agent or on its behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Agent and shall be payable whether or not the Offering is completed. Regardless of whether the transactions contemplated herein are completed or not, the Corporation will pay the Agent's Expenses.

17. RIGHT OF FIRST REFUSAL

- 17.1 The Corporation will notify the Agent (the "**ROFR Notice**"), in writing, of the terms of any formal valuation or fairness opinion (the "**Services**") that it requires from the Closing Date until the date that is 18 months from the Closing Date (the "**ROFR Period**") and the Agent will have the right of first refusal to provide such Services during the ROFR Period. The terms and conditions relating to such Services will be outlined in a separate agreement and the fees for such Services will be in addition to the fees payable under this Agreement.
- 17.2 The right of first refusal set forth in Section 17.1 must be exercised by the Agent within five (5) Business Days of receipt by the Agent of the ROFR Notice by notifying the Corporation that it will provide the Services on the terms set out in the ROFR Notice.

17.3 The right of first refusal will not terminate if, on receipt of any ROFR Notice from the Corporation, the Agent fails to exercise the right.

18. NO SALES

The Corporation agrees not to offer, not to announce the offering of, and not to make any agreement to issue any equity or debt securities or securities convertible or exercisable into equity or debt securities of the Corporation (other than for purposes of any stock option plan of the Corporation as it currently exists or pursuant to an agreement to make an "arm's length" acquisition of an interest in a resource property) for a period commencing as of the date hereof and ending 120 days from the Closing Date without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed.

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:

Green Star Biosciences Inc.
c/o TingleMerrett LLP
1250, 639-5th Avenue S.W.
Calgary, AB T2P 0M9

Attention: Ralph Olson, President and Director
Email: ralpholson2000@gmail.com

with a copy (for information purposes only and not constituting notice) to:

TingleMerrett LLP
1250, 639-5th Avenue S.W.
Calgary, AB T2P 0M9

Attention: Scott Reeves
Email: sreeves@tinglemerrett.com

(b) If to the Agent, to:

Mackie Research Capital Corporation
1920- 1075 West Georgia Street
Vancouver, BC V6E 3C9

Attention: Jovan Stupar
Email: jstupar@mackieresearch.com

With a copy (for information purposes only and not constituting notice) to:

Miller Thomson LLP
Suite 400, 725 Granville Street
Vancouver, British Columbia V7Y 1G5

Attention: Kevin Sorochan
Email: ksorochan@millerthomson.com

and if so given, shall be deemed to have been given and received upon receipt by the addressee or a responsible officer of the addressee if delivered. Notice sent by email will be deemed to be received three hours after such notice is sent, provided that the sender has not received a non-delivery response within three hours of sending, and further provided that if such notice is sent after normal operating hours of the recipient, such notice will be deemed to be received on the first Business Day following the day in which it is confirmed to have been sent, unless the receipt of such notice is otherwise confirmed in writing by such recipient. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address or email address.

20. TIME OF THE ESSENCE

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

21. CANADIAN DOLLARS

Unless otherwise specified hereunder, all references herein to dollar amounts are to lawful money of Canada.

22. HEADINGS

The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

23. SINGULAR AND PLURAL, ETC.

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.

24. 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, including, without limitation, the Letter Agreement. This Agreement may be amended or modified in any respect by written instrument only signed by each of the parties hereto.

25. SEVERABILITY

If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

26. GOVERNING LAW

This Agreement is governed by the law of Alberta, and the parties hereto irrevocably attorn and submit to the jurisdiction of the courts of Alberta with respect to any dispute related to this Agreement.

27. NO FIDUCIARY DUTY

The Corporation hereby acknowledges that (i) the transactions contemplated hereunder are arm's-length commercial transactions between the Corporation, on the one hand, and the Agent and any affiliates through which they may be acting, on the other hand, (ii) the Agent are acting as agent but not as fiduciary of the Corporation and (iii) the Corporation's engagement of the Agent in connection with the Offering and the process leading up to the Offering is as agent and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether the Agent have advised or are currently advising the Corporation on related or other matters). The Agent has not rendered advisory services beyond those, if any, required of an investment dealer by Securities Laws in respect of an offering of the nature contemplated by this Agreement and the Corporation agrees that it will not claim that the Agent has rendered advisory services beyond those, if any, required of an investment dealer by Securities Laws in respect of the Offering, or that the Agent owes a fiduciary or similar duty to the Corporation, in connection with such transaction or the process leading thereto.

28. 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 its successors and permitted assigns. This Agreement shall not be assignable by any party hereto without the prior written consent of the other party.

29. SELLING GROUP PARTICIPATION

The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the Agent's Commission.

30. 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.

31. 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.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

32. COUNTERPARTS

This Agreement may be executed in two or more counterparts and may be delivered by facsimile transmission or other means of electronic transmission, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

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,

MACKIE RESEARCH CAPITAL CORPORATION

Per:



Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth as of the date first written above.

GREEN STAR BIOSCIENCES INC.

Per:

Authorized Signing Officer

32. COUNTERPARTS

This Agreement may be executed in two or more counterparts and may be delivered by facsimile transmission or other means of electronic transmission, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

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.

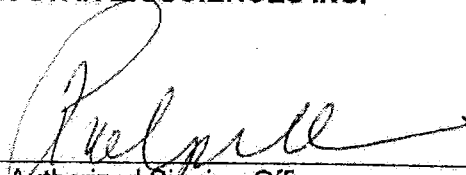
Yours very truly,

MACKIE RESEARCH CAPITAL CORPORATION

Per: _____
Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth as of the date first written above.

GREEN STAR BIOSCIENCES INC.

Per: 
Authorized Signing Officer

R. OLSON

SCHEDULE "A"

LIST OF CONVERTIBLE SECURITIES

PERFORMANCE WARRANTS

Expiry Date	Type	Number of Warrants	Exercise Price
May 18, 2026	Vested on May 18, Subject to	4,655,992	\$0.35

COMMON SHARE PURCHASE WARRANTS

Grant Date	Expiry Date	Number of Finder's Warrants	Exercise Price
May 10, 2018	May 10, 2020	30,899,994	\$0.10
May 23, 2018	May 23, 2020	142,857	\$0.35

STOCK OPTIONS

Grant Date	Expiry Date	Number of Stock Options	Exercise Price
May 30, 2018	May 30, 2028	4,000,000	\$0.20