

AMENDED AND RESTATED AGENCY AGREEMENT

THIS AGREEMENT initially made effective the 30th day of June, 2014 and amended and restated on this 26th day of September 2014.

BETWEEN:

ANCHOR CAPITAL CORPORATION, a corporation incorporated under the *Business Corporations Act* (Alberta), with an office in the City of Calgary, in the Province of Alberta

(the “**Corporation**”)

AND

RICHARDSON GMP LIMITED, a corporation with an office in the City of Calgary, in the Province of Alberta

(the “**Agent**”)

WHEREAS:

- A. the Corporation wishes to raise funds by the sale of the Offered Common Shares (as defined herein) in the Offering Jurisdictions (as defined herein);
- B. the Corporation has agreed to file the Prospectus (as defined herein) in the Offering Jurisdictions in accordance with the Securities Legislation (as defined herein) in order to qualify the distribution of the Offered Common Shares, the Agent’s Option (as defined herein), and the Directors’ and Officers’ Options (as defined herein);
- C. pursuant to an agency agreement dated effective June 30, 2014 between the Corporation and the Agent (the “**Original Agency Agreement**”), the Corporation agreed to retain the Agent and the Agent agreed to act as the Corporation’s exclusive agent to solicit subscriptions for the Offered Common Shares on a commercially reasonable efforts agency basis upon the terms and conditions set out therein; and
- D. subsequent to the entering of the Original Agency Agreement, the Corporation and the Agent desire to amend and restate in its entirety the terms of the Original Agency Agreement by entering into this Agreement;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

- 1.1 For the purposes of this Agreement, including the recitals and any amendment hereto, the following words and phrases shall have the following meanings:
 - (a) “**Agent’s Commission**” has the meaning ascribed thereto in Section 3.1;
 - (b) “**Agent’s Option**” means the irrevocable and non-transferable option to purchase that number of Common Shares as is equal to 10% of the aggregate number of Offered Common Shares sold pursuant to the Offering, each exercisable at a price of \$0.10 per Common Share for a period of 24 months from the date the Offered Common Shares are listed and posted for trading on the

Exchange, to be granted by the Corporation to the Agent or its designated sub-agents as the Agent may direct in writing, all in accordance with Section 3.4;

- (c) “**Agent’s Option Agreement**” has the meaning ascribed thereto in Section 3.4;
- (d) “**Agent’s Option Shares**” means the Common Shares to be issued upon the exercise of the Agent’s Options;
- (e) “**Agreement**” means this amended and restated agency agreement, the recitals and the schedules hereto and any amendments;
- (f) “**Amended Prospectus**” means the amended and restated final prospectus of the Corporation dated September 26, 2014;
- (g) “**Agreement in Principle**” has the meaning ascribed thereto in the Policy;
- (h) “**Business Day**” means a day other than a Saturday, Sunday or other than a day when banks in the City of Calgary are not generally open for business;
- (i) “**Closing**” means the completion and closing of the issue and sale of the Offered Common Shares as herein contemplated;
- (j) “**Closing Date**” means the date upon which the Closing occurs, which date shall be determined by agreement between the Corporation and the Agent and shall not be later than the last day of the Offering Period;
- (k) “**Commissions**” means collectively, the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission;
- (l) “**Common Shares**” means the common shares in the capital of the Corporation;
- (m) “**Corporate Finance Fee**” has the meaning ascribed thereto in Section 3.1 hereof;
- (n) “**Directors’ and Officers’ Options**” means stock options to be granted to directors and officers of the Corporation in accordance with the Policy, under which directors and officers of the Corporation, in accordance with the Policy, will have the option to purchase up to 600,000 Common Shares at a purchase price of \$0.10 per share for 10 years from the date the options are granted;
- (o) “**distribution**” means “distribution” or “distribution to the public”, as defined under the Securities Legislation;
- (p) “**Engagement Letter**” means the engagement letter dated March 12, 2014 between the Agent and the Corporation;
- (q) “**Exchange**” means the TSX Venture Exchange Inc.;
- (r) “**IFRS**” means the International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (s) “**material change**”, “**material fact**” and “**Misrepresentation**” shall have the meaning ascribed thereto by the Securities Legislation;
- (t) “**Maximum Subscription**” means subscriptions received and accepted for the Offered Common Shares, having an aggregate acquisition cost of \$400,000 from not less than 200 subscribers with

each Subscriber beneficially owning at least 1,000 Offered Common Shares on or before the Closing Date;

- (u) “**Minimum Subscription**” means subscriptions received and accepted for the Offered Common Shares, having an aggregate acquisition cost of \$250,000 from not less than 200 subscribers with each Subscriber beneficially owning at least 1,000 Offered Common Shares on or before the Closing Date;
- (v) “**Non-Arm’s Length Parties**” has the meaning ascribed thereto in Policy 1.1 of the Exchange;
- (w) “**Offered Common Shares**” means a minimum of 2,500,000 Common Shares and a maximum of 4,000,000 Common Shares offered for sale by the Corporation at a price of \$0.10 per Offered Common Share for aggregate gross proceeds of up to \$400,000 as contemplated by the Prospectus and this Agreement;
- (x) “**Offering**” means the offer by the Corporation to sell the Offered Common Shares as contemplated by the Prospectus and this Agreement;
- (y) “**Offering Jurisdictions**” means the provinces of Alberta, British Columbia and Ontario;
- (z) “**Offering Period**” means a period of ninety (90) days commencing on the date of the receipt for the Prospectus issued by the Commissions or, subject to the Securities Legislation, such other longer period as may be agreed to by the Corporation and the Agent;
- (aa) “**Policy**” means Policy 2.4 of the Exchange’s Corporate Finance Manual entitled “Capital Pool Companies” and all orders, policies, rules, regulations and by-laws of the Commissions and Exchange which govern offerings by capital pool companies, as amended from time to time;
- (bb) “**Preliminary Prospectus**” means the preliminary prospectus of the Corporation dated April 24, 2014 and any amendment thereof, duly approved, signed, certified and filed in accordance with the Securities Legislation relating to the distribution of the Offered Common Shares, the Agent’s Option, and the Directors’ and Officers’ Options in the Offering Jurisdictions;
- (cc) “**Prospectus**” means the final prospectus of the Corporation dated June 30, 2014 and any amendment thereof, including the Amended Prospectus, duly approved, signed, certified and filed in accordance with the Securities Legislation qualifying the Offered Common Shares, the Agent’s Option, and the Directors’ and Officers’ Options for distribution in the Offering Jurisdictions;
- (dd) “**Public Record**” means all information filed by or on behalf of the Corporation and its predecessor entities, if any, including, without limitation, the Preliminary Prospectus, the Prospectus, any Supplementary Material and any other information filed with any of the Commissions in compliance, or intended compliance, with any Securities Legislation;
- (ee) “**Qualifying Transaction**” has the meaning given in the Policy;
- (ff) “**Resale Restrictions**” has the meaning ascribed thereto in Policy 1.1 of the Exchange;
- (gg) “**Securities Legislation**” means the *Securities Act* (Alberta), the *Securities Act* (British Columbia), the *Securities Act* (Ontario) and the respective regulations and rules thereto and the policy statements, notices and blanket orders of the Commissions, the national policy statements and national instruments applied by the Commissions, and the policies, by-laws and rules of the Exchange as amended from time to time;
- (hh) “**Subscriber**” or “**Subscribers**” means a person or those persons who subscribe for the Offered Common Shares through the Agent or such other registrants retained by the Agent as sub-agents to sell subscriptions in conjunction with the Agent;

- (ii) **“Subscription Funds”** means the funds received in respect of subscriptions for the Offered Common Shares pursuant to and in accordance with the terms of the Prospectus and this Agreement;
 - (jj) **“Supplementary Material”** means, collectively, any amendment to the Preliminary Prospectus or Prospectus, any amended or supplemented Preliminary Prospectus or Prospectus or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under the Securities Legislation;
 - (kk) **“Time of Closing”** means 10:00 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may agree;
 - (ll) **“Total Subscription”** means subscriptions received and accepted for the Offered Common Shares on or before the Closing Date; and
 - (mm) **“Transfer Agent”** means Alliance Trust Company at its office in the City of Calgary, in the Province of Alberta.
- 1.2 For the purposes of this Agreement, all references to “Dollars” or “\$” shall mean Canadian funds, unless otherwise specified.
- 1.3 The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything herein contained or govern the rights or liabilities of the parties hereto.
- 1.4 Words importing the singular number only shall include the plural and vice versa and words of gender shall entail all genders, including the neuter gender and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

ARTICLE 2 APPOINTMENT OF AGENT

- 2.1 Subject to the terms and conditions hereof, the Corporation hereby appoints the Agent, and the Agent hereby agrees to act, as the sole and exclusive agent of the Corporation to solicit subscriptions to purchase the Offered Common Shares from Subscribers in the Offering Jurisdictions pursuant to the Securities Legislation.
- 2.2 The Offering is subject to a minimum subscription of 2,500,000 Offered Common Shares and a maximum subscription of 4,000,000 Offered Common Shares.
- 2.3 The Agent agrees to use commercially reasonable efforts to obtain subscriptions to purchase the Offered Common Shares but the Corporation understands and agrees that the Agent is acting as agent only and is under no obligation to purchase any of the Offered Common Shares. The Agent may retain as sub-agents other registered securities dealers and may receive subscriptions from such securities dealers. The Agent shall be under no liability for any failure to sell any or all of the Offered Common Shares or to engage sub-agents, provided that the Agent uses commercially reasonable efforts to obtain subscriptions to purchase all of the Offered Common Shares (it being understood that this provision shall in no way derogate from the Agent’s rights under Article 9).
- 2.4 The Agent shall secure from each Subscriber such certificates, documents, questionnaires, undertakings, forms and other materials as may, in the opinion of the Agent, be required pursuant to the Securities Legislation or as may be required by the Exchange.

ARTICLE 3 AGENT'S FEES

- 3.1 In consideration of the Agent agreeing to act as agent for the Offering, if the Minimum Subscription is achieved, the Corporation agrees to pay to the Agent at the Time of Closing a cash commission equal to 10% of the Total Subscription (the "**Agent's Commission**"). The Agent's Commission shall be paid by the Corporation to the Agent by the Agent deducting such amounts from the Subscription Funds or in such other manner as is satisfactory to the Agent.
- 3.2 The Corporation has paid the Agent, in consideration of the services to be performed by the Agent hereunder, a non-refundable fee (the "**Corporate Finance Fee**") of \$15,750 (inclusive of GST), and a deposit in the amount of \$11,750 (the "**Retainer**") against legal fees, reasonable out-of-pocket expenses and disbursements, receipt of which is acknowledged by the Agent. Should the Corporation elect not to proceed with the Offering or the Agent elect not to be the agent for the Offering as a result of any material deficiencies arising out of its due diligence or otherwise pursuant to this Agreement, the Agent Corporate Finance Fee will be retained by the Agent and any remaining portion of the Retainer will be returned to the Corporation.
- 3.3 If the Agent retains sub-agents or receives subscriptions from sub-agents, the Agent, in its sole discretion, may pay them a fee as may be agreed among them, but in no event shall the Corporation be required to pay any fees in excess of the Agent's Commission or the Corporate Finance Fee.
- 3.4 Notwithstanding the fact that the Agent is not obligated to purchase any Offered Common Shares and on the express condition precedent that the Closing occurs, the Corporation agrees to grant the Agent's Option to the Agent and to such sub-agents as the Agent may direct in writing, at the Time of Closing, and to execute and deliver an agreement setting forth the terms and conditions of the Agent's Option, which shall be in the form of the option agreement appended hereto as Schedule "A" (the "**Agent's Option Agreement**"). The Agent's Option shall be qualified under and be distributed pursuant to the Prospectus.

ARTICLE 4 SUBSCRIPTIONS AND SUBSCRIPTION FUNDS

- 4.1 Residents of the Offering Jurisdictions may subscribe to purchase Offered Common Shares by delivering to the Agent on or prior to the Closing Date payment of the aggregate subscription price in respect of the Offered Common Shares subscribed for as well as such documents, certificates and forms as, in the opinion of the Agent, may be required.
- 4.2 The Corporation will:
- (a) at such time as funds representing the Maximum Subscription have been received; or
 - (b) at 5:00 p.m. on the last day of the Offering Period;
- whichever shall occur first, close the subscription books and thereafter shall not receive any further subscriptions for the Offered Common Shares.
- 4.3 Subscription Funds received by the Agent shall be held by the Agent in trust for the Subscribers pursuant to the terms of this Agreement, and shall be dealt with by the Agent as provided in Article 4 and Article 5 hereof.

ARTICLE 5 RELEASE OF SUBSCRIPTION FUNDS

- 5.1 The Agent shall not at any time deliver any Subscription Funds received by it to the Corporation until it shall have received each of the following:

- (a) a certificate from a director of the Corporation confirming acceptance by the Corporation of the Total Subscription; and
 - (b) written instructions from the Corporation instructing the Agent to deliver the Subscription Funds to the Corporation and any other parties as directed.
- 5.2 Upon receiving the documentation referred to in Section 5.1(a) and (b) hereof and subject to Section 5.4 hereof, the Agent shall deliver to the Corporation or as directed in subsection 5.1(b) at the Time of Closing all Subscription Funds less the Agent's Commission and expenses incurred by it pursuant to this Agreement.
- 5.3 If the Minimum Subscription is not received or if the Agent has not received the documentation referred to in Section 5.1 (a) and (b) hereof by the expiry of the Offering Period, the Agent shall promptly thereafter, and in any case not later than seven (7) days from the expiry of the Offering Period, remit to each Subscriber such Subscriber's Subscription Funds as are held by the Agent, without interest or deduction, unless the Subscribers have otherwise instructed the Agent.
- 5.4 If the subscription of any Subscriber delivered to the Agent is for any reason rejected (in whole or in part) by the Corporation or the Agent, the Subscription Funds in respect of such rejected subscription shall be forthwith returned to such Subscriber without interest or deduction in the manner provided in Section 5.3.

ARTICLE 6 COVENANTS OF THE AGENT

- 6.1 The Agent shall use its commercially reasonable efforts to obtain subscriptions for the Offered Common Shares such that at least 1,000,000 of the Common Shares (or such lesser number as is acceptable to the Exchange) outstanding on the Closing Date, including the Offered Common Shares, will be in the Public Float (as "**Public Float**" as defined in the Exchange's Corporate Finance Manual).
- 6.2 The Agent hereby covenants, subject to the conditions contained in Article 9 hereof, to use commercially reasonable efforts to solicit subscriptions for the Offered Common Shares in the Offering Jurisdictions and, without limiting the generality of the foregoing, to obtain subscriptions from at least 200 Subscribers (or such lesser number as is acceptable to the Exchange), each of such Subscribers:
- (a) purchasing at least 1,000 Offered Common Shares free of Resale Restrictions exclusive of any Offered Common Share held by a Non-Arm's Length Party (as that term is defined in the Exchange Policy 1.1) to the Corporation;
 - (b) individually purchasing, directly or indirectly, no more than 2% of the Offered Common Shares and, in conjunction with such Subscriber's Associates and Affiliates (as those terms are defined in the Exchange Policy 1.1), purchasing no more than 4% of the Offered Common Shares; and
 - (c) not being a Non-Arm's Length Party to the Corporation (provided, however, that any Subscriber in excess of the 200 minimum Subscribers may be a Non-Arm's Length Party if that party complies with the requirements of the Policy).
- 6.3 The Agent hereby covenants, subject to the conditions contained in Article 9 hereof, to solicit subscriptions for the Offered Common Shares only from subscribers resident in the Offering Jurisdictions.
- 6.4 The Agent hereby covenants, subject to the conditions contained in Article 9 hereof, to close the subscription books and thereafter not receive any further subscriptions for the Offered Common Shares at the earlier of such time:
- (a) as orders for the Maximum Subscription have been received; or
 - (b) as prescribed by Securities Legislation.

- 6.5 The Agent hereby covenants and agrees that it will not solicit subscriptions for Offered Common Shares except in compliance with applicable law (including the Securities Legislation), the rules, policies and by-laws of the Exchange (including the Policy) and the terms and conditions set forth in the Prospectus and this Agreement.
- 6.6 The obligation of the Agent to execute any certificate or deliver any documents pertaining to the Preliminary Prospectus and the Prospectus shall be subject to the provisions hereof and compliance by the Corporation to the date of such execution and delivery with each of its covenants contained in this Agreement to be complied with prior to the filing of either the Preliminary Prospectus or the Prospectus, as the case may be.
- 6.7 The Agent covenants and agrees that it shall:
- (a) provide all such notices and documents as may be required in connection with the Offering, including those required for the Prospectus by the orders, policies, rules, regulations, by-laws and procedures of the Commissions (including the Securities Legislation) and the Exchange which govern capital pool company offerings (including the Policy), as amended from time to time; and
 - (b) deliver to the Exchange as soon as reasonably possible after the Closing Date, a Distribution Summary Statement as required by Policy 2.3 of the Exchange.
- 6.8 The Agent represents and warrants to the Corporation that:
- (a) it is a member of the Exchange in good standing; and
 - (b) it is registered in the Offering Jurisdictions.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

- 7.1 The Corporation represents and warrants to the Agent, and acknowledges that the Agent is relying on such representations and warranties in entering into this Agreement, that:
- (a) the Corporation has been duly incorporated and organized and is valid and subsisting and in good standing under the laws of its jurisdiction of incorporation and has all the requisite corporate power and capacity to carry on its business as now conducted and as presently proposed to be conducted;
 - (b) the Corporation has full corporate capacity, power and authority to execute and deliver this Agreement, the escrow agreement referred to in the Prospectus (the “**Escrow Agreement**”) and the Agent’s Option Agreement and to perform its obligations set out herein and therein, including, without limitation, to issue the Offered Common Shares and the Agent’s Option Shares, and to carry out the transactions contemplated hereby and by the Prospectus, and this Agreement, the Escrow Agreement and the Agent’s Option Agreement will be, on the Closing Date, duly authorized, executed and delivered by the Corporation and this Agreement and the Escrow Agreement are and the Agent’s Option Agreement will on the Closing Date, be legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms subject to the general qualification that:
 - (i) enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally;
 - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

- (iii) the equitable or statutory powers of the courts in Canada having jurisdiction to stay proceedings before them and the execution of judgments; and
- (iv) rights to indemnity, contribution and waiver hereunder and the ability to sever unenforceable terms may be limited under applicable law;
- (c) the Corporation does not own or have an interest in any assets other than cash, deferred share issue costs or deposits with financial institutions;
- (d) the Corporation requires the signatures of two (2) authorized persons on any cheques issued by the Corporation;
- (e) the Corporation has undertaken no business operations of any kind since its date of incorporation other than as permitted by the Policy;
- (f) the authorized capital of the Corporation and the issued capital of the Corporation are as disclosed in the Prospectus and all of the issued and outstanding securities of the Corporation have been duly issued in compliance with all applicable securities laws and are fully paid and non-assessable;
- (g) none of the issued and outstanding securities of the Corporation are owned directly or indirectly by any director, officer, insider or promoter of the Corporation or any Affiliates (as defined in the Exchange Corporate Finance Manual) of any of the foregoing except as disclosed in the Prospectus;
- (h) no person, firm or corporation has any agreement or option, or right or privilege, whether pre-emptive or contractual, capable of becoming an agreement, including convertible securities, for the purchase, subscription, transfer or issuance of any unissued securities of the Corporation except as disclosed in the Prospectus;
- (i) there is no action, proceeding or investigation pending or, to the knowledge of the Corporation, threatened against the Corporation before or by any federal, provincial, state, municipal, county or other governmental department, commission, board or agency, domestic or foreign, which may result in any material adverse change in the condition, financial or otherwise, of the Corporation, or which questions the validity of any action taken or to be taken by the Corporation pursuant to or in connection with this Agreement or as contemplated by the Prospectus;
- (j) the Corporation has not, directly or indirectly, declared or paid any dividends or declared or made any other distribution on any of its Common Shares or any other shares of any class since incorporation, and there is not, in the constating documents or by-laws of the Corporation or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of its Common Shares;
- (k) the books of account of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;
- (l) the audited financial statements of the Corporation, including the notes thereto (the “**Financial Statements**”), contained in the Prospectus present fairly, in all material respects, the financial position and condition of the Corporation as at the date thereof, reflect all liabilities (absolute, accrued, contingent or otherwise) of the Corporation as at the date thereof, and have been prepared in accordance with IFRS applied on a consistent basis and there has not been any material adverse change in such position or condition since such date which have not been disclosed in the Prospectus or in writing to the Agent;

- (m) to the knowledge of the Corporation, the auditors of the Corporation who audited the Financial Statements and who provided their audit report thereon are independent public accountants as required under Securities Legislation and there has never been a reportable disagreement (within the meaning of National Instrument 51-102 - *Continuous Disclosure Requirements*) with the present auditors of the Corporation;
- (n) there has not been any material adverse change in the capital, assets, liabilities (absolute, accrued, contingent or otherwise), business, operations or condition (financial or otherwise) of the Corporation, from the position set forth in the audited financial statements as at and for the period ended June 30, 2014 and since that date there have been no material facts, transactions, events or occurrences which, to the knowledge of the Corporation, could materially adversely affect the capital, assets, liabilities (absolute, accrued, contingent or otherwise) or results of the operations of the Corporation which have not been disclosed in the Prospectus or in writing to the Agent;
- (o) no event of material default under the constating documents, by-laws or resolutions of the Corporation or under any agreement or instrument to which the Corporation is a party has occurred and no event which with the giving of notice or the passage of time or both would constitute an event of material default under the constating documents, by-laws or resolutions of the Corporation or under any such agreement or instrument has occurred and is continuing;
- (p) the Corporation has not reached an Agreement in Principle, and the board of directors of the Corporation has not reached a “meeting of minds” with any other parties to a proposed Qualifying Transaction on fundamental terms of a Qualifying Transaction in respect of which no material conditions to closing exist which are beyond the reasonable control of the Non Arm’s Length Parties to the Corporation or the Non-Arm’s Length Parties to the Qualifying Transaction (other than receipt of shareholder approval and Exchange acceptance);
- (q) the Corporation has not entered into a “significant probable acquisition” or “multiple acquisitions” (as such terms are defined in *National Instrument 41-101 General Prospectus Requirements*);
- (r) the Corporation has not made and will not make any payment which is prohibited under the Policy (except as may be permitted by the Exchange);
- (s) except as disclosed herein or in the Prospectus, there is no person, firm or corporation acting or purporting to act for the Corporation entitled to any brokerage or finder’s fee in connection with any of the transactions contemplated herein;
- (t) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of any of this Agreement, the Escrow Agreement and the Agent’s Option Agreement by the Corporation or any of the transactions contemplated hereby or thereby, does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any term or provision of the articles, notice of articles or resolutions of shareholders or directors of the Corporation, or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound, or any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation or its properties or assets or would impair the ability of the Corporation to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in this Agreement, the Escrow Agreement and the Agent’s Option Agreement;

- (u) application has been made to list the issued and outstanding Common Shares, including without limitation the Offered Common Shares, the Agent's Option Shares and the Common Shares issuable upon exercise of the Directors' and Officers' Options on the Exchange and conditional approval of such application has been obtained from the Exchange;
- (v) no approval, authorization, consent or other order of any governmental authority is required in connection with the execution, delivery or performance by the Corporation of this Agreement and the Agent's Option Agreement except requisite filings with the Commissions (and the issuance by them of receipts for the Prospectus) and the Exchange and final consent to the Offering from the Exchange;
- (w) the Corporation has complied with and will comply in all material respects with the requirements of all applicable corporate and securities laws, including, without limitation, the Securities Legislation and the *Business Corporations Act* (Alberta) in relation to the issue and trading of its securities and in all matters relating to the Offering;
- (x) no order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of such securities has been issued against the Corporation or, to the best of the Corporation's knowledge, after due inquiry: (i) any of its directors, officers and promoters; (ii) any other companies that have common directors, officers and promoters; and (iii) no proceedings for this purpose have been instituted or are pending, contemplated or threatened;
- (y) to the best of the Corporation's knowledge, none of the directors or senior officers of the Corporation, or any holder of more than 10% of its outstanding Common Shares, any Promoters of the Corporation, or any Associate or Affiliate (as "Promoter", "Associate" and "Affiliate" are defined in the Securities Legislation) of any of the foregoing persons has or has had any material interest, direct or indirect, in any continuing or existing material transaction or has any material interest, direct or indirect, in any proposed material transaction which, as the case may be, is material to or would materially affect the Corporation, except as fully disclosed in the Prospectus;
- (z) no securities commission or other governmental authority has issued any order preventing or suspending the use of the Preliminary Prospectus or the Prospectus;
- (aa) all statements, facts, data, information and materials provided from time to time by the Corporation to the Agent relating to the Corporation and the directors and officers of the Corporation are true and correct and all material facts relating to the subject matter have been fully disclosed to the Agent and such statements, facts, data, information and materials did not and do not contain a Misrepresentation;
- (bb) the directors and officers of the Corporation have been provided with a copy of the Preliminary Prospectus and the Prospectus for their review, and the directors have duly approved the Preliminary Prospectus and the Prospectus and the Financial Statements at the respective times they are filed with the Commissions and the Exchange and have authorized their distribution by the Agent in connection with the Offering;
- (cc) the information and statements contained in the Preliminary Prospectus and the Prospectus (except any such information and statements relating solely to the Agent) constitute full, true and plain disclosure of all material facts relating to the Corporation and the Preliminary Prospectus, the Prospectus and the supplementary materials (as applicable) comply with the Securities Legislation, including without limitation National Instrument 41-101 – *General Prospectus Requirements* and the Policy;
- (dd) the Preliminary Prospectus and the Prospectus do not contain a Misrepresentation (except a Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus and Prospectus);

- (ee) the Transfer Agent, at its principal office in the City of Calgary, has been appointed transfer agent and registrar for the Common Shares;
- (ff) upon payment of the proceeds for the Offered Common Shares, the Offered Common Shares will be validly authorized and issued as fully paid and non-assessable shares, the Agent's Option will be validly created, authorized and delivered and the Agent's Option Shares will be validly authorized, allotted and reserved for issuance upon the exercise of the Agent's Option in accordance with its terms, and the Offered Common Shares and Agent's Option Shares will, when issued, be issued as fully paid and non-assessable securities and will be issued free and clear of all liens, charges and encumbrances of any kind whatsoever;
- (gg) as at the date hereof, the minute book of the Corporation as provided to the Agent's counsel, is true, complete and correct in all material respects and contains the minutes of all meetings and all resolutions of the directors and shareholders thereof; and
- (hh) to the knowledge of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation other than as disclosed to the Agent;
- (ii) the Corporation has advised the directors and officers of the Corporation of:
 - (i) the nature and scope of their responsibilities and duties as directors and officers, respectively, of a public corporation listed on the Exchange, including, without limitation, the matters set out in Policy 3.1 of the Exchange's Corporate Finance Manual; and
 - (ii) the obligations of the Corporation to prepare, file, publish and disseminate, as applicable, such information and documentation as may be required by the Securities Legislation, including, without limitation, Policies 3.2 and 3.3 of the Exchange's Corporate Finance Manual;
- (jj) to the knowledge of the Corporation, none of its directors or officers are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company;
- (kk) as at the date hereof, the Corporation is not a party to any contracts of employment for employees of the Corporation; and
- (ll) to its knowledge, neither the Corporation nor any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust agreement or other similar type of arrangements in respect of outstanding securities of the Corporation other than the Escrow Agreement.

ARTICLE 8 COVENANTS OF THE CORPORATION

- 8.1 On or before the Closing Date, the Corporation will take or cause to be taken all steps and proceedings that may be necessary under the Securities Legislation (including but not limited to, the filing of the Prospectus and the obtaining of final decision documents under National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* therefor from the Commissions) to qualify the Offered Common Shares for distribution to the public resident in the Offering Jurisdictions through the Agent and sub-agents or other registered securities dealers and to qualify for distribution the Agent's Options and the Directors' and Officers' Options.
- 8.2 The Corporation shall promptly notify the Agent in writing of full particulars of any material change, actual, anticipated or threatened, during the period of distribution to the public of the Offered Common Shares pursuant to the Offering:

- (a) in the business or affairs of the Corporation of which the Corporation is aware;
- (b) relating to any director or senior officer of the Corporation of which the Corporation is aware;
- (c) in any material fact contained in or omitted from the Prospectus or in any Supplementary Material supplied by the Corporation, which is of such a nature as to render the Prospectus or Supplementary Material, misleading or untrue;
- (d) in any statements, facts, data, personal information form or materials provided to the Agent with respect to the directors and officers of the Corporation of which the Corporation is aware or any potential Qualifying Transaction; and
- (e) in any of the representations and warranties contained in Article 7;

and the Corporation shall file under the applicable Securities Legislation as soon as reasonably possible, and in any event within any statutory limitation period therefor, such new or correcting information, amendments and other documents as the circumstances may require. The Corporation shall further provide the Agent with such copies of such information, amendments or other documents as the Agent may reasonably require.

- 8.3 Now and at all times during the Offering Period or such longer period of time, if any, while the Prospectus continues to be current, the Prospectus and any amendments thereto does and will fully comply with the requirements of the Securities Legislation. The Prospectus together with any amendments thereto does and will during such period provide full, true and plain disclosure of all material facts relating to the Corporation, to the Offered Common Shares and to the distribution of the Offered Common Shares to the public, and does not and will not during such period contain a Misrepresentation; provided that the foregoing covenants of the Corporation do not and shall not apply with respect to statements contained in the Prospectus relating solely to the Agent.
- 8.4 The Corporation shall in good faith discuss with the Agent any change in circumstances which is of a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to Section 8.2 hereof.
- 8.5 The Corporation covenants with the Agent that it will advise the Agent promptly of any request of the Commissions, the Exchange or other regulatory body for any amendment to the Prospectus or for any additional information during the period of distribution to the public of the Offered Common Shares pursuant to the Offering, or the issuance by the Commissions, the Exchange or any other regulatory body of any cease trading order or suspension order relating to the Common Shares or the Offered Common Shares or the use of the Prospectus or of the institution or threat of institution of any such proceedings. The Corporation covenants to use its best efforts to prevent the issuance of any such cease trading order or suspension order and, if issued, to obtain the withdrawal thereof as soon as possible.
- 8.6 The Corporation, from time to time at its expense, shall deliver to the Agent, at the direction of the Agent, as many commercial copies of the Prospectus (and in the event of an amendment, of such amended Prospectus) as the Agent may reasonably request.
- 8.7 Delivery of the Prospectus shall constitute the Corporation's consent to the Agent's use of the Prospectus for the distribution of the Offered Common Shares in the Offering Jurisdictions in compliance with the provisions of this Agreement and applicable Securities Legislation.
- 8.8 The proceeds received by the Corporation from the sale of the Offered Common Shares will be used by the Corporation solely for the purposes as described in the Prospectus under the heading "Use of Proceeds" and in compliance with the provisions of the Policy and the Corporation has advised the Corporation's directors and officers of the requirements and restrictions on the use of the net proceeds as set out in the Policy.

- 8.9 The Corporation shall take all necessary steps to complete and file with the Exchange its application for listing with all other documentation required by the Exchange prior to the Closing Date, to allow for the listing of the Common Shares on the Exchange prior to Closing.
- 8.10 The Corporation will promptly deliver to the Agent all documents or information reasonably requested by the Agent in relation to the transactions contemplated in this Agreement and in relation to the performance by the Agent of its due diligence investigations in respect of the Preliminary Prospectus and the Prospectus and the listing of the Common Shares on the Exchange, including, without limitation, personal information forms for all insiders, financial statements, consent of insiders to background, credit, educational and other checks, shareholders lists and business plans.
- 8.11 Until the Corporation completes a Qualifying Transaction, the Corporation will comply, in all material respects with all applicable provisions of the Policy. The Corporation will use its commercially reasonable efforts to maintain its status as a reporting issuer not in default of any Securities Legislation in the Offering Jurisdictions for a period of 24 months following the date that its Common Shares are listed and posted for trading on the Exchange and will use its commercially reasonable efforts to maintain its listing on the Exchange during such 24 months and its best efforts to complete a Qualifying Transaction which is approved by the Exchange within 24 months.
- 8.12 The Corporation will at all times maintain its corporate existence, will carry on its business in a prudent manner in accordance with the Policy and good business practice and will keep or cause to be kept proper books of accounts in accordance with applicable laws.
- 8.13 During the period commencing from the date hereof and ending on the Closing Date (unless otherwise specified), it will promptly provide to the Agent and the Agent's counsel, for review, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any press release (including any press release issued after the Closing Date related to this Agreement and the Offering) or material change report and Corporation will use its commercially reasonable efforts to agree with the Agent as to the form and substance of such document and an appropriate legend regarding US distribution shall be included on any press release as follows: "Not for distribution to United States newswire services or for dissemination in the United States" and "These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state, and may not be offered or sold in the United States unless an exemption from registration is available. This press release does not constitute an offer to sell or the solicitation of any offer to buy these securities in the United States".
- 8.14 All representations, warranties, terms, covenants and conditions of this Agreement to be performed by the Corporation shall be construed as conditions, and any breach of, or default, or failure to comply with any such representation, warranty, term, covenant or condition which are for the benefit of the Agent shall entitle the Agent to terminate their obligations hereunder, by giving written notice to that effect given to the Corporation prior to the Time of Closing. The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term, covenant or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension shall be binding on the Agent only if the same is in writing.

ARTICLE 9
CONDITIONS OF THE AGENT'S OBLIGATIONS

- 9.1 The obligations of the Agent contained in this Agreement may be terminated by the Agent in the event that prior to the Time of Closing:
- (a) in the opinion of the Agent, acting reasonably, there shall have occurred any material change or change in material fact in relation to the Corporation or there shall be discovered any previously undisclosed material fact in each case which would be expected to result in a material adverse

change in relation to the Corporation or have a material adverse effect on the market price or value of the Common Shares;

- (b) any inquiry, action, investigation or other proceeding (whether formal or informal) is made, announced or threatened or any order is issued by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency, regulatory authority or other instrumentality including, without limitation, the Exchange or any other exchange or quotation or any securities regulatory authority involving the Corporation's securities, directors or officers (except for any inquiry, action, investigation or other proceeding based upon 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, acting reasonably, prevents or restricts trading in or the distribution of the securities of the Corporation or the Offered Common Shares or materially and adversely affects or might reasonably be expected to materially and adversely affect the market price or value of the securities of the Corporation or the Offered Common Shares;
- (c) an order to cease or halt trading (other than the halt instituted by the Exchange to facilitate Closing) in the Offered Common Shares or any other securities of the Corporation has been made by the Commissions, the Exchange or any other securities commission, stock exchange or other regulatory authority having jurisdiction over the Corporation and has not been rescinded, revoked or withdrawn;
- (d) there is any breach or non-performance by the Corporation of any provisions of any order of the Commissions or the Exchange or any other securities commission, stock exchange or other regulatory authority having jurisdiction over the Corporation;
- (e) any new or amended Prospectus discloses information which, in the sole opinion of the Agent, acting reasonably, may result in the Subscribers of a material number of the Offered Common Shares exercising their rights under Securities Legislation to withdraw from or rescind their purchase thereof at any time prior to the Closing;
- (f) there is any amendment to Securities Legislation which, in the sole opinion of the Agent, acting reasonably, will impose any limitations or restrictions on the exercise of the Agent's Option or on the subsequent trading of Common Shares which are acquired, or which may be acquired, by the Agent under the Agent's Option;
- (g) if 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 terrorism) or any law or regulation which, in the opinion of the Agent, acting reasonably, materially adversely affects or involves, or might reasonably be expected to materially adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation and its subsidiaries, taken as a whole;
- (h) the Agent becomes aware of, as a result of its 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, acting reasonably) which has not been disclosed to the Agent prior to the date hereof; or the Agent is not satisfied, acting reasonably, with the results of its due diligence review in respect of the Corporation, any of its directors and/or officers, securities, assets or operations, the tax attributes of any of the securities of the Corporation or the Offered Securities or otherwise;
- (i) the Corporation is in breach of any term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false which has not been rectified, remedied or waived by the Agent forthwith;

- (j) if the state of financial markets in Canada or elsewhere where it is planned to market the Offered Securities is such that, in the reasonable opinion of the Agent, the Offered Securities cannot be marketed profitably or successfully; or
 - (k) the Agent is not satisfied, acting reasonably, with the results of its due diligence investigations.
- 9.2 The Agent may exercise any or all of the rights provided for in Section 9.1 (except where the Agent is in breach of its obligations under this Agreement) notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agent related to the offering or continued offering of the Offered Common Shares for sale and any act taken by the Agent in connection with any amendment to the Prospectus (including the execution of any amendment or any other Supplementary Material) and the Agent shall only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 9.1 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.
- 9.3 Any termination of any of the obligations of the Agent hereunder pursuant to the provisions hereof shall be effected by written notice to the Corporation. Notwithstanding the giving of any notice of termination hereunder, the provisions of Article 12 and all rights of action in connection therewith shall survive following such termination and the fees and expenses agreed to be paid by the Corporation, referred to in Article 3.2 and Article 11, incurred up to the time of the giving of such notice shall be paid by the Corporation. The rights of the Agent to terminate this Agreement are in addition to such remedies as it may have in respect of any default, Misrepresentation, act or failure to act of the Corporation in respect of any of the transactions contemplated in this Agreement.

ARTICLE 10 THE CLOSING

- 10.1 Subject to the terms and conditions hereof, the Closing shall take place at the Time of Closing at the offices of counsel to the Corporation, or such other location in the City of Calgary, in the Province of Alberta, as the Agent and the Corporation may agree.
- 10.2 At the Time of Closing, the Corporation shall deliver to the Agent a certificate, in form and substance satisfactory to counsel for the Agent, signed by the Chief Executive Officer or President of the Corporation and any one other director or officer of the Corporation in their capacities as such, and not in their personal capacities, dated the Closing Date, addressed to the Agent to the effect to the best of their knowledge, information and belief that after a reasonable investigation:
- (a) the representations and warranties contained in Article 7 hereof are true and correct in all material respects at and as at the Time of Closing after giving effect to the transactions contemplated by the Prospectus and this Agreement;
 - (b) the Corporation has complied in all material respects with all covenants and satisfied all conditions contained herein on its part to be performed or satisfied except those waived in writing by the Agent at or prior to the Closing Date;
 - (c) no order suspending the sale or ceasing the trading of the Common Shares or any other securities of the Corporation has been issued and no proceedings for that purpose have been instituted or are pending or are, to the knowledge of such officer or director, contemplated or threatened by the Commissions, Exchange, or any other securities commission or stock exchange;
 - (d) such officer and director have carefully examined the Prospectus and since the respective dates as of which information is given in the Prospectus, except as set forth in and contemplated thereby, the Corporation has not incurred any material amount of liabilities or obligations (absolute, accrued, contingent or otherwise) and there has been no material adverse change in the assets or financial position of the Corporation; and there has occurred no event required to be set forth in an

amended Prospectus which has not so been set forth, including any transaction or intended transaction not in compliance with the Policy;

- (e) no event of material default under any agreement or instrument to which the Corporation is a party has occurred and no event which with the giving of notice or the passage of time or both would constitute an event of material default under any such agreement or instrument has occurred and is continuing; and
- (f) no event of a nature referred to in Section 9.1 has occurred or to the knowledge of such officers is pending, contemplated or threatened (excluding any obligation to make a determination as to the Agent's opinion).

10.3 At the Time of Closing, the Agent shall receive a favourable legal opinion addressed to the Agent, from counsel to the Corporation, to the effect that:

- (a) the Corporation has been duly incorporated and organized and is valid and subsisting under the *Business Corporations Act* (Alberta), and has all requisite corporate power and capacity to carry on its business as now conducted and as proposed in the Prospectus to be conducted;
- (b) the authorized and issued capital of the Corporation is as disclosed in the Prospectus and, other than as disclosed in the Prospectus, there are no rights, options or warrants for the purchase of any unissued securities of the Corporation;
- (c) the issued capital of the Corporation has been validly issued in accordance with applicable corporate and securities laws and is fully paid and non-assessable;
- (d) the Offered Common Shares have been duly and validly authorized, created and allotted, and when issued, assuming the full payment of the purchase price therefor, the Offered Common Shares will be issued as fully paid and non-assessable securities of the Corporation;
- (e) the form of the definitive certificate representing the Common Shares has been approved and adopted by the directors of the Corporation and conforms to the requirements of applicable law;
- (f) this Agreement, the Escrow Agreement and the Agent's Option Agreement have been duly authorized by all necessary corporate action by the Corporation and have been duly executed and delivered by the Corporation and constitute valid and binding obligations of the Corporation and each is enforceable against the Corporation in accordance with its terms, except as enforcement thereof 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;
- (g) the execution and delivery by the Corporation of this Agreement, the Escrow Agreement and the Agent's Option Agreement and the performance by the Corporation of its obligations hereunder and thereunder will not result in any material breach or violation of, or be in conflict with, or constitute a material default under: (i) any term or provision of the articles, by-laws or constating documents of the Corporation; (ii) any shareholders' or directors' resolutions of the Corporation; (iii) any agreement or indenture of to which the Corporation is a party or by which the Corporation is bound; or (iv) any applicable laws of the province of Alberta and the federal laws of Canada applicable therein;
- (h) the Transfer Agent at its principal office in the City of Calgary has been duly appointed the transfer agent and registrar for the Common Shares;

- (i) all necessary action has been taken by the Corporation to authorize the execution and delivery by it of the Preliminary Prospectus and the Prospectus and the filing thereof, as the case may be, in each of the Offering Jurisdictions in accordance with the Securities Legislation;
- (j) all necessary documents have been filed and proceedings taken and all legal requirements have been fulfilled as required under the Securities Legislation to qualify the distribution and sale of the Offered Common Shares to the public and the Agent's Option to the Agent in the Offering Jurisdictions;
- (k) the issuance of Agent's Option Shares by the Corporation upon exercise of the Agent's Option in accordance with the terms and conditions of the Agent's Option Agreement to the holders of the Agent's Option, where all such holders are resident in the Offering Jurisdictions, is exempt from the prospectus and registration requirements of the Securities Legislation of the Offering Jurisdictions, and no filing, proceeding, permit, approval, consent, authorization or order of any court or public, governmental or regulatory agency or body is required to be made, taken or obtained (other than those which have been filed, taken or obtained) under the laws of Canada and the Securities Legislation of each of the Offering Jurisdictions to permit the issuance by the Corporation of Agent's Option Shares to the holders of the Agent's Option on exercise of the Agent's Option in accordance with the terms and conditions of the Agent's Option Agreement;
- (l) all necessary corporate action has been taken by the Corporation to authorize the grant of the Agent's Option and issuance of the Agent's Option Shares on exercise of the Agent's Option, and the Agent's Option Shares, when issued and sold in accordance with the terms of the Agent's Option Agreement, including receipt of the exercise price therefor, will be validly issued as fully paid and non-assessable, and the first trade in the Offering Jurisdictions of the Agent's Option Shares will be exempt from the prospectus requirements of the Securities Legislation and no other documents are or will be required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities required to be obtained by the Corporation under the Securities Legislation in connection with any such trade made through a registrant properly registered under the Securities Legislation who has complied with the requirements thereof, provided that: (A) the trade is not a "control distribution" (as defined in *National Instrument 45-102 – Resale of Securities*) and; (B) the Corporation is a "reporting issuer" in the applicable Offering Jurisdiction at the time of the trade;
- (m) the Offered Common Shares will be qualified investments as set out under the heading "Eligibility for Investment" in the Prospectus; and
- (n) such other matters as the Agent may reasonably request in connection with the Offering.

In giving the foregoing opinions counsel for the Corporation may rely upon opinions of local counsel, acceptable to the Agent, as to the laws of the Offering Jurisdictions other than the Offering Jurisdictions in which such counsel is licensed to practice law, if any, and as to matters of fact not within their knowledge, upon certificates as to such facts, signed, in the case of the Corporation, by a director or officer of the Corporation.

- 10.4 At the Time of Closing, the Offered Common Shares will have been made "eligible" by CDS Clearing and Depository Services Inc. ("CDS") and counsel to the Corporation shall have provided written confirmation from CDS of such eligibility to Agent's Counsel
- 10.5 At the Time of Closing, the Corporation will direct the Transfer Agent, as the registrar and transfer agent for the Common Shares to issue the Offered Common Shares in accordance with the written instructions of the Agent and the Corporation shall deliver definitive agreements representing the Agent's Option to the Agent.

- 10.6 At the Closing, the Agent shall deduct the Agent's Commission as provided for in Article 3 hereof and payment of the balance owed in respect of the expenses of the Agent and Agent's legal counsel, as provided in Article 11 hereof.

**ARTICLE 11
EXPENSES OF THE ISSUE**

- 11.1 Notwithstanding any termination of this Agreement or the cancellation of its obligations by the Agent pursuant to Article 9 hereof and, except as otherwise indicated herein, the Corporate Finance Fee and the reasonable costs and expenses of or incidental to the creation, issue and offering of the Offered Common Shares including, without limitation, the reasonable fees and expenses of counsel for the Corporation and counsel for the Agent, all other reasonable expenses incurred by the Agent in connection with the Offering, the cost of printing and delivering the definitive certificates for the Offered Common Shares, the fees and disbursements of the Transfer Agent, the cost of preparing, printing and delivering the Prospectus to the Agent and the associated fees prescribed by the Securities Legislation in connection with the Offering, shall be paid by the Corporation whether or not the Offering is completed as contemplated. The Corporation will pay the reasonable expenses incurred by the Agent and the reasonable fees and expenses of counsel for the Agent from time to time as requested by the Agent by bank draft or certified cheque payable to the Agent or counsel to the Agent or in such other manner as is acceptable to the Agent.

**ARTICLE 12
INDEMNITY AND CONTRIBUTION**

- 12.1 The Corporation (the "**Indemnitor**") hereby covenants and agrees to indemnify and save harmless the Agent and its affiliates, shareholders, directors, officers, partners, employees, agents, and any other registrants retained by the Agent as sub-agents and their respective directors, officers, consultants and employees (collectively, the "**Indemnified Parties**") to the full extent lawful from and against all actual or threatened claims, actions, suits, investigations and proceedings (collectively "**Proceedings**") and all losses (other than loss of profit in connection with the distribution of the Offered Common Shares), costs, expenses, fees, damages, obligations, payments and liabilities (collectively "**Liabilities**") (including without limitation all statutory duties and obligations, all amounts paid to settle any action or to satisfy any judgment or award and all legal fees and disbursements actually incurred) which now or any time hereafter are suffered or incurred by reason of any event, act or omission in any way connected, directly or indirectly, with:
- (a) any Misrepresentation or alleged Misrepresentation (except a Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus or Prospectus or such other part of the Public Record) contained in the Preliminary Prospectus, the Prospectus, any Supplementary Materials or in any other document or any other part of the Public Record filed by or on behalf of the Corporation;
 - (b) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Common Shares imposed by any competent authority if such prohibition or restriction is based on any Misrepresentation or alleged Misrepresentation of a kind referred to in subsection 12.1(a);
 - (c) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based solely upon the activities or the alleged activities of the Indemnified Parties) prohibiting, restricting, relating to or materially affecting the Offering or the trading or distribution of the Offered Common Shares or any other securities of the Corporation; or
 - (d) any Subscriber effectively rescinding its subscription for the Offered Common Shares pursuant to a right of rescission under which a Subscriber may rescind a contract on the grounds that the

Prospectus contains a Misrepresentation, or in the event a determination is made by any competent authority setting aside the sale of the Offered Common Shares, except any Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Prospectus or any determination that arises out of any act or omission of the Agent;

provided that in the event and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that such Proceedings or Liabilities resulted solely from the gross negligence, fraudulent act or wilful misconduct of the Indemnified Party claiming indemnity, this indemnity shall not apply.

- 12.2 The Corporation hereby waives its right to recover contribution from the Agent with respect to any liability of the Corporation by reason of or arising out of any Misrepresentation in the Preliminary Prospectus, the Prospectus, any Supplementary Material or any other part of the Public Record provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of or arising out of: (i) any Misrepresentation which is based upon information relating solely to the Agent contained in such document and furnished to the Corporation by the Agent expressly for inclusion in such document; or (ii) any failure by the Agent to provide to prospective purchasers of Offered Common Shares any document which the Corporation is required to provide to such prospective purchasers and which the Corporation has provided to the Agent to forward to such prospective purchasers provided that the Corporation shall have complied with Article 8 hereof.
- 12.3 If any Proceeding is brought, instituted or threatened in respect of any Indemnified Party which may result in a claim for indemnification under this Agreement, such Indemnified Party shall promptly after receiving notice thereof notify the Corporation, in writing, and the Corporation shall be entitled (but not required) to assume conduct of the defence thereof and retain counsel on behalf of the Indemnified Party who is satisfactory to the Indemnified Party, acting reasonably, to represent the Indemnified Party in such Proceeding and the Corporation shall pay the fees and disbursements of such counsel and all other expenses of the Indemnified Party relating to such Proceeding as incurred. Failure to so notify the Corporation shall not relieve the Corporation from liability except and only to the extent that the failure materially prejudices the Corporation. If the Corporation assumes conduct of the defence for an Indemnified Party, the Indemnified Party shall, subject to a situation involving a conflict of interest as described in Section 12.4 wherein counsel to the Indemnified Party advises that such action would be prejudicial to the interests of the Indemnified Party, fully cooperate in the defence including without limitation the provision of documents, appropriate officers and employees to give witness statements, attend examinations for discovery, make affidavits, meet with counsel, testify and divulge all information reasonably required to defend or prosecute the Proceedings.
- 12.4 In any such Proceeding, the Indemnified Party shall have the right to employ separate or additional counsel and to participate in the defence thereof, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party, unless:
- (a) the Indemnified Party has been advised in writing by counsel that there may be a reasonable legal defence available to the Indemnified Party that is different from or in addition to those available to the Corporation or that a conflict of interest exists which makes representation by counsel chosen by the Corporation not advisable;
 - (b) the Indemnitor has not assumed the defence of the Proceeding and employed counsel therefor reasonably satisfactory to the Indemnified Party within fourteen (14) days after receiving notice thereof; or
 - (c) employment of such other counsel has been authorized by the Corporation.

in which event the fees and disbursements of such counsel (on a solicitor and his client basis) shall be paid by the Corporation. It being understood, however, that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of

the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate law firm in each jurisdiction for all such Indemnified Parties.

- 12.5 No admission of liability and no settlement of any Proceeding shall be made without the consent of the Indemnified Parties affected, such consent not to be unreasonably withheld. No admission of liability shall be made by an Indemnified Party without the consent of the Indemnitor, such consent not to be unreasonably withheld, and the Indemnitor shall not be liable for any settlement of any Proceeding made without its consent, such consent not to be unreasonably withheld.
- 12.6 If any Proceedings shall be instituted against or involving any Indemnified Party or the Corporation in respect of the Preliminary Prospectus, the Prospectus, any Supplementary Material or any other part of the Public Record, the Offered Common Shares or if any regulatory authority or stock exchange shall carry out an investigation of the Corporation or any director or officer of the Corporation or in any matter related to the foregoing or to the Preliminary Prospectus, the Prospectus, any Supplementary Material or any other part of the Public Record or the Offered Common Shares and, in either case, any Indemnified Party is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Agent hereunder, any such Indemnified Party may employ their own legal counsel and the Corporation shall pay and reimburse the Indemnified Parties for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel (provided that in no event shall the Corporation be responsible for fees and expenses of more than one such counsel in any one jurisdiction for the Indemnified Party), the other expenses reasonably incurred by the Indemnified Parties in connection with such Proceedings or investigation and a fee at the normal per diem rate for any director, officer, employee or agent of the Agent involved in the preparation for or attendance at such Proceedings or in so responding, provided the Corporation shall not be liable to pay such fees, costs and expenses of such Proceedings are brought solely in relation to the activities and alleged activities of the Agent or its sub-agents retained pursuant to the terms hereof. If the foregoing is payable, any other reasonable costs and out-of-pocket expenses incurred by the Agent in connection therewith will also be paid by the Corporation as they are incurred.
- 12.7 The rights and remedies of the Indemnified Parties set forth in this Article 12 are to the fullest extent possible in law cumulative and not alternative and the election by the Agent or other Indemnified Parties to exercise any such right or remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies. The rights to indemnity and right of contribution provided in this Article 12 shall be in addition to and not in derogation of any other right to indemnity and contribution which the Indemnified Parties may have by statute or otherwise at law or in equity.
- 12.8 It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Parties for the purposes of this Article 12 and the Agent shall be entitled, as trustee, to enforce such covenants on behalf of any other Indemnified Parties.
- 12.9 The Indemnitor waives any right it may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Party to incur expense or make payment before enforcing such indemnity.
- 12.10 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the Corporation on grounds of policy or otherwise, each of the Corporation and Indemnified Parties shall contribute to the aggregate Liabilities (or Proceedings in respect thereof) to which they may be subject or which they may suffer or incur:
- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand, and by Indemnified Parties, on the other hand, from the offering of the Offered Common Shares; or

- (b) if the allocation provided by Subsection 12.10(a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Subsection 12.10(a) above, but also to reflect the relative fault of the Indemnified Parties, on the one hand, and the Corporation, on the other hand, in connection with the statements, commission, omissions, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such Liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Agent, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the fees actually received by the Agent. In the case of liability arising out of the Preliminary Prospectus, the Prospectus, any Supplementary Material or any other part of the Public Record, the relative fault of the Corporation, on the one hand, and of the Agent, on the other hand, shall be determined by reference, among other things, to whether the Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing referred to in this Article 12 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of, one or more of the Corporation or the Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing referred to in this Article 12.

- 12.11 The amount paid or payable by the Indemnitor as a result of any Proceedings or Liabilities shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Party in connection with investigating or defending such Liabilities, or Proceedings in respect thereof whether or not resulting in any action, suit, Proceeding or claim.
- 12.12 The Corporation and the Agent agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in this Article 12. The rights to contribution provided in this Article 12 shall be in addition to, and without prejudice to, any other right to contribution which the Agent or other Indemnified Parties may have.
- 12.13 Any liability of the Agent under this Article 12 shall be limited to the amount of the fees actually received by the Agent under Article 3 hereof.
- 12.14 The obligations under the indemnity and right of contribution provided herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement.
- 12.15 Notwithstanding the foregoing, the indemnification provided for in this Agreement shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non appealable shall determine that:
 - (a) the Agent and/or its sub-agents have committed wilful misconduct, any fraudulent act or gross negligence in the course of such performance; and
 - (b) the expenses, losses, claims or liabilities, as to which indemnification is claimed, were directly caused by the wilful misconduct, fraud or gross negligence referred in subsection 12.15(a) above.

ARTICLE 13 RIGHT OF FIRST REFUSAL

- 13.1 Provided that the offering of the Offered Common Shares is completed, the Corporation grants to the Agent the exclusive right and opportunity to lead any financing, public or private, that it requires or proposes to obtain or to provide professional, sponsorship or advisory services performed, or normally performed, by a

broker or investment dealer, required by the Corporation for a period ending 12 months from the date of the final Exchange bulletin evidencing Exchange approval of the Corporation's Qualifying Transaction (the "**Right of First Refusal**").

- 13.2 The Corporation will notify the Agent of the terms (including the commission payable to any other agent) of any such offering of securities of the Corporation or of any professional, sponsorship or advisory services required by the Corporation during the period referenced in Section 13.1 above.
- 13.3 The Right of First Refusal must be exercised by the Agent within 6 Business Days following the receipt of the notice by notifying the Corporation that it will act as lead agent or underwriter for such financing or as professional, sponsor or advisor on the terms set out in the notice.
- 13.4 If the Agent declines in writing, or fails to give notice within the 6 Business Days to act as Sponsor and/or conduct the distribution to the public as agent or underwriter on behalf of the Corporation, upon the terms set out in the notice, the Corporation may proceed with such offering through another agent or underwriter or such engagement for professional, sponsorship or advisory services, on the same terms or on terms no less favourable to the Corporation, provided the arrangements with such agent or underwriter are entered into within 30 days thereafter, subject to obtaining the acceptance of the Regulatory Authorities (it being acknowledged and agreed by the Agent that if the Corporation issues any securities to which the foregoing would apply, but does not utilize a registered dealer or agent therefore, the foregoing shall not apply to such issuance).
- 13.5 Upon expiry of such 30 day period, or in the event that such terms and conditions of the proposed offering, or engagement for professional services, sponsorship or financial advisory services, as the case may be, change materially, the Corporation shall not be entitled to enter an engagement or agreement with another agent or underwriter or professional, sponsor or advisor, as the case may be, without again complying with Section 13.1 to 13.4 inclusive *mutatis mutandis*.
- 13.6 The Right of First Refusal will not terminate upon the failure of the Agent to exercise such right, and will only terminate on the Expiration Date. If the Corporation issues any securities to which this Article 13 would otherwise apply, but does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply to such issuance.

ARTICLE 14 SURVIVAL

- 14.1 The representations, warranties, obligations and agreements contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the Offering shall survive the Offering and shall continue in full force and effect unaffected by any subsequent disposition of the Offered Common Shares by a Subscriber or the termination of the Agent's obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Agent in connection with the distribution of the Offered Common Shares.

ARTICLE 15 NOTICES

- 15.1 Any notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been given or made when delivered at the addresses of the relevant party set forth below or such other address as a party may stipulate in writing:

- (a) to the Corporation at:

Anchor Capital Corporation
c/o Burstall Winger Zammit LLP
Suite 1600, 333 - 7th Avenue S.W.

Calgary, Alberta
T2P 2Z1

Attention: Douglas Stuve
Facsimile: (403) 266-6016

with a copy to:

Burstall Winger Zammit LLP
Suite 1600, Dome Tower
333 – 7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Attention: Douglas Stuve
Facsimile: (403) 266-6016

(b) to the Agent at:

Richardson GMP Limited
Suite 2200, 440, 2nd Avenue S.W.
Calgary, Alberta T2P 5E9

Attention: Cameron Rees
Facsimile: (403) 260-8439

with a copy to:

Borden Ladner Gervais LLP
Suite 1900, 520 – 3rd Avenue S.W.
Calgary, Alberta T2P 0R3

Attention: John Poetker
Facsimile: (403) 266-1395

ARTICLE 16 MISCELLANEOUS

- 16.1 Time shall be of the essence with respect to the terms and conditions of this Agreement.
- 16.2 This Agreement may be executed in several counterparts and may be represented by facsimile, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution, shall be deemed to bear the date as of the date above written.
- 16.3 This Agreement supersedes all other agreements, documents, writings and verbal understandings among the parties relating to the subject matter hereof including without limitation the Engagement Letter and represents the entire agreement between the parties relating to the subject matter hereof.
- 16.4 If one or more of the 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 of this Agreement but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

- 16.5 This Agreement shall be construed and interpreted, and the rights and obligations of the parties arising hereunder shall be governed, by the laws of the Province of Alberta. The parties agree that the courts of Alberta shall have exclusive jurisdiction over any dispute, termination or breach of any kind or nature whatsoever arising out of or in connection with this Agreement.
- 16.6 All the terms and provisions of this Agreement shall be binding upon, enure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns, but shall not be assignable, before or after the Time of Closing, without the written consent of the other parties hereto.
- 16.7 The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith.
- 16.8 The Corporation: (i) acknowledges and agrees that the Agent and each member of any sub-agent group has certain statutory obligations as a registrant under the Securities Legislation and has fiduciary relationships with its respective clients; and (ii) consents to each of the Agent and each member of any sub-agent group acting hereunder while continuing to act for its respective clients. To the extent that the Agent's (or any member of any selling dealer group) statutory obligations as a registrant under securities Legislation or fiduciary relationship with its clients conflicts with its obligations hereunder, the Agent and each member of any selling dealer group shall be entitled to fulfill its statutory obligations as a registrant under Securities Legislation and its duties to its clients. Nothing in this Agreement shall be interpreted to prevent the Agent and each member of any sub-agent group from fulfilling its statutory obligations as a registrant under Securities Legislation or to act as a fiduciary of its clients.
- 16.9 The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressément demandé que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

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SCHEDULE "A"

SHARE OPTION AGREEMENT

THIS AGREEMENT is made as of the ● day of ●, 2014

BETWEEN:

ANCHOR CAPITAL CORPORATION, a corporation incorporated under the *Business Corporations Act* (Alberta), with an office in the City of Calgary, in the Province of Alberta

(the "**Corporation**")

AND

RICHARDSON GMP LIMITED, a corporation with an office in the City of Calgary, in the Province of Alberta

(the "**Agent**")

WHEREAS the Corporation has agreed pursuant to an amended and restated agency agreement (the "**Agency Agreement**") dated the 26th day of September, 2014, between the Corporation and the Agent to grant to the Agent an option to purchase ● common shares ("**Common Shares**") in the capital of the Corporation in consideration of the Agent's services performed under the Agency Agreement;

NOW THEREFORE in consideration of the premises, mutual covenants and agreements herein and therein contained, this agreement witnesses that and it is understood and agreed by and between the parties hereto as follows:

1. **Option**

Subject to the provisions hereinafter contained, the Corporation hereby grants to the Optionee an irrevocable, non-transferable option (the "**Option**") to purchase up to but not exceeding ● Common Shares (the "**Optioned Shares**"), as presently constituted, at a price of \$0.10 per Optioned Share.

2. **Term of Option**

The Agent may exercise the Option on or before 4:30 p.m., Calgary time, on the date that is 24 months from the date the issued and outstanding Common Shares in the capital of the Corporation are listed and posted for trading on the TSX Venture Exchange Inc. (the "**Exchange**") (the "**Expiry Time**"), after which time all rights granted hereunder shall terminate.

3. **Manner of Exercise**

The Optionee may exercise the Option in whole or in part, at any time and from time to time, on or prior to the Expiry Time, by notice in writing given by the Optionee to the Corporation at its address for notice set out in the Agency Agreement, specifying the number of Optioned Shares in respect of which it is exercised and accompanied by payment in cash or certified cheque for the purchase price of all of the Optioned Shares specified in such notice.

The Optionee agrees that, unless varied by the Exchange, a maximum of one-half (1/2) of the Optioned Shares obtained by the Optionee pursuant to the exercise of this Option may be sold prior to the completion of a Qualifying Transaction (as defined by Policy 2.4 of the Exchange) by the Corporation. The remaining one-half (1/2) of the Optioned Shares may only be sold after the completion of a Qualifying Transaction (as defined in Policy 2.4 of the Exchange) by the Corporation. The Exchange may vary these requirements in exceptional circumstances upon application by the Optionee.

4. **Share Certificates**

Upon exercise of the Option, the Corporation shall cause the transfer agent and registrar of the Corporation to deliver to the Optionee, or as the Optionee may otherwise in writing direct in the notice of exercise of option, within three (3) business days following the receipt by the Corporation of payment for the number of Optioned Shares so exercised, a certificate or certificates representing in the aggregate the number of Optioned Shares for which payment has been received by the Corporation.

5. **No Rights as a Shareholder Until Exercise**

The Optionee shall have no rights whatsoever as a shareholder (including any rights to receive dividends or any other distribution to shareholders or to vote at a general meeting of shareholders of the Corporation) other than in respect to shares in respect of which the Optionee shall have exercised its right to purchase hereunder and which the Optionee shall have actually taken up and paid for.

6. **Non-Transferable**

The rights conferred upon the Optionee hereunder shall be non-transferable and non-tradable.

7. **No Fractional Common Shares**

No fractional Optioned Shares will be issued on exercise of this Option or any compensation made for such fractional Optioned Shares, if any.

8. **Dilution**

In the event of any reclassification, subdivision or redivision of the issued Common Shares of the Corporation at any time prior to the Expiry Date into a greater number of Common Shares (including the declaration or payment of any stock dividend), the Corporation shall deliver at the time of any exercise thereafter of the Option hereby granted, at no additional cost to the Agent, but only as to the Common Shares in respect of which the Option is then exercised, the number of Common Shares which the Agent would have been entitled to following such reclassification, subdivision or redivision if it had exercised the Option and held the Common Shares immediately prior to the date of reclassification, subdivision or redivision. The Agent shall pay for the number of Common Shares delivered upon exercise as aforesaid an amount calculated by multiplying the exercise price by the number of Common Shares over which the right would have been exercised if such exercise had been made prior to the date of such reclassification, subdivision or redivision.

In the event of any consolidation or change in the Common Shares at any time prior to the Expiry Date into a lesser number of Common Shares, the Corporation shall deliver at the time of any exercise thereafter of the Option hereby granted, but only as to the Common Shares in respect of which the Option is then exercised, the number of Common Shares which the Agent would have been entitled to following such consolidation or change if it had exercised the Option and held the Common Shares immediately prior to the date of such consolidation or change. The Agent shall pay for the number of Common Shares delivered upon exercise as aforesaid, an amount calculated by multiplying the exercise price by the number of Common Shares over which the right would have been exercised if such exercise had been made prior to the date of such consolidation or change.

If, during the term of the Option, the Corporation shall become merged, amalgamated, arranged, combined or otherwise reorganized whatsoever into or with any other corporation or other person or shall sell the whole or substantially the whole of its assets and undertaking for shares or securities of another corporation, the Corporation will make provision that, upon the exercise of the Option during its unexpired period after the effective date of such merger, amalgamation, arrangement, combination, reorganization or sale, the Agent shall receive, for the same aggregate exercise price, such number of Options of the continuing or successor corporation or person in such merger, amalgamation, arrangement, combination or reorganization or shares or other securities of the purchasing corporation or person as it would have received as a result of such merger, amalgamation, arrangement, combination, reorganization or sale as if the Agent had exercised the Option immediately prior thereto and had held such Options on the effective date of such merger, amalgamation, arrangement, combination, reorganization or sale.

Adjustments shall be made successively whenever any event referred to in this paragraph shall occur. Upon any adjustment of the number of Common Shares which may be purchased hereunder, the Corporation shall give written notice to the Agent, giving particulars of such adjustment. In the event the Corporation agrees to sell all or substantially all of the assets of the Corporation for cash, it shall use reasonable commercial efforts to give the Agent at least 30 days' notice prior to the date of finalization of such proposed sale, determined as of the date of notice. In the event of the liquidation, dissolution or winding up of the affairs of the Corporation, the right to exercise this Option shall terminate 10 days before the earliest day fixed for the payment of any distribution amount on the Common Shares of the Corporation, provided at least 30 days' notice of such payment date shall be given to the Agent, determined as of the date of notice..

9. **Reservation of Common Shares**

The Corporation shall at all times during the term of this Agreement reserve and keep available a sufficient number of unissued Common Shares to satisfy the requirements hereof.

10. **Further Assurances**

The parties hereto covenant that they shall and will from time to time and at all times hereafter do and perform all such acts and things and execute all such additional documents as may be required to give effect to the terms and intention of this Agreement.

11. **Entire Agreement**

This Agreement supersedes all other agreements, documents, writings and verbal understandings among the parties relating to the subject matter hereof and represents the entire agreement between the parties relating to the subject matter hereof.

12. **Definitions**

Capitalized terms used herein that are not otherwise defined shall have the same meaning as provided in the Agency Agreement.

13. **Enurement**

Except as otherwise set forth herein, this Agreement shall be binding upon and enure to the benefit of the respective successors and assigns of the Optionee and of the Corporation.

14. **Time**

Time shall be of the essence of this Agreement.

15. **Law Jurisdiction**

This Agreement shall be constituted and integrated and the rights and obligations of the parties arising hereunder shall be governed by the laws of the Province of Alberta. These parties agree that the courts of Alberta shall have exclusive jurisdiction over any dispute, termination or breach of any kind or nature whatsoever arising out of or in connection with this Agreement.

IN WITNESS WHEREOF the parties hereto have hereunto executed and delivered this Agreement as of the day and year first above written.

ANCHOR CAPITAL CORPORATION

Per: _____

RICHARDSON GMP LIMITED

Per: _____