

AGENCY OFFERING AGREEMENT

THIS AGREEMENT dated for reference November 29, 2016 is made

BETWEEN

CARRARA EXPLORATION CORP., #Suite 200, 551 Howe Street, Vancouver, B.C. V6C 2C2

(the "Issuer");

AND

HAYWOOD SECURITIES INC., Suite 700, 200 Burrard Street, Vancouver, B.C. V6C 3L6

(the "Agent").

WHEREAS:

A. The Issuer wishes to raise money for the purposes set forth in its Prospectus, which is to be filed by the Issuer with the Commissions and the Exchange, by offering for sale certain of its securities;

B. The Issuer wishes to appoint the Agent to distribute those securities and the Agent is willing to accept the appointment on the terms and conditions of this Agreement;

THE PARTIES to this Agreement therefore agree:

1. DEFINITIONS

In this Agreement:

- (a) "Agent's Counsel" means Miller Thomson LLP;
- (b) "Agent's Fee" means the fee which is set out in this Agreement and which is payable by the Issuer to the Agent in consideration of the services performed by the Agent under this Agreement;
- (c) "Agent's Option" means the option to purchase common shares of the Issuer per which will be issued as part of the Agent's Fee and which has the terms provided in this Agreement and the certificate(s) representing such option;
- (d) "Agent's Option Shares" means any common shares in the capital of the Issuer that may be issued on exercise of the Agent's Option;
- (e) "Alternative Transaction" means the issuance of securities of the Issuer or a business transaction, either of which involve a change in control of the Issuer, or any material subsidiary of the Issuer, including a merger, amalgamation, arrangement, take-over bid supported by the board of directors of the Issuer, insider bid, reorganization, joint venture, sale of all or substantially all assets, exchange of assets or any similar transaction, excluding an issuance of

securities pursuant to the exercise of securities of the issuer outstanding on the date hereof or in connection with a bona fide acquisition by the Issuer (other than a direct or indirect acquisition, whether by way of one or more transactions, of an entity all or substantially all of the assets of which are cash, marketable securities or financial in nature or an acquisition that is structured primarily to defeat the intent of section 14);

- (f) “Applicable Legislation” means the securities acts in the Selling Provinces, the regulations and rules made thereunder, and all administrative policy statements, blanket orders, notices, directions and rulings issued by the Commissions;
- (g) “Certificates” means the certificates representing the Shares, Agent’s Option Shares and Corporate Finance Shares;
- (h) “Closing” means the closing of the purchase and sale, and the issuance by the Issuer, of the Shares;
- (i) “Closing Day” means the day for Closing as determined by the Agent and as agreed to by the Issuer;
- (j) “Commissions” means the securities commissions in the Selling Provinces;
- (k) “Corporate Finance Fee” means the fee to be paid to the Agent by the Issuer in consideration of corporate finance and structuring services provided by the Agent;
- (l) “Corporate Finance Shares” means the common shares in the capital of the Issuer to be issued to the Agent by the Issuer as part of the Corporate Finance Fee with a deemed price of \$0.10 per common share;
- (m) “Distribution” means the distribution or sale of the Securities pursuant to this Agreement;
- (n) “Effective Date” means the date on which the Final Receipt is issued;
- (o) “Exchange” means the Canadian Securities Exchange;
- (p) “Final Receipt” means the receipt issued for the final Prospectus by the Principal Regulator pursuant to National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* (“NP 11-202”), representing a final receipt for the Prospectus in each of the Selling Provinces;
- (q) “Material Change” has the meaning defined in the Applicable Legislation;
- (r) “Material Fact” has the meaning defined in the Applicable Legislation;
- (s) “Misrepresentation” has the meaning defined in the Applicable Legislation;
- (t) “Offering” means the offering of the Shares under the Prospectus;
- (u) “Offering Day” means the day chosen by the Agent to contract the purchases of Shares by the purchasers;
- (v) “Offering Price” means \$0.10 per Share;

- (w) “Over-Allotment Option” has the meaning defined in section 2.4;
- (x) “Preliminary Receipt” means the receipt issued for the preliminary prospectus by the Principal Regulator pursuant to NP 11-202;
- (y) “Principal Regulator” means the British Columbia Securities Commission;
- (z) “Proceeds” means the gross proceeds of the Offering, less:
 - (i) that portion of the Agent’s Fee which is payable in cash;
 - (ii) that portion of the Corporate Finance Fee which is payable in cash;
 - (iii) the expenses of the Agent in connection with the Offering which have not been repaid by the Issuer; and
 - (iv) any amount already received by the Issuer.
- (aa) “Prospectus” means the preliminary long-form prospectus and the final long-form prospectus each prepared pursuant to NI 41-101 and filed or intended to be filed by the Issuer with the Regulatory Authorities in connection with the Offering and any amendments to the preliminary prospectus and final prospectus which may be filed with the Regulatory Authorities;
- (bb) “Regulatory Authorities” means the Commissions and the Exchange;
- (cc) “Securities” means the Shares, Agent’s Option, Agent’s Option Shares, the Corporate Finance Shares and any common shares of the Issuer which may be qualified under the Prospectus;
- (dd) “Selling Provinces” means British Columbia and Alberta or in such other provinces as may be agreed to by the Issuer and the Agent;
- (ee) “Shares” means the common shares in the capital of the Issuer; and
- (ff) “Written Acknowledgment” means a written acknowledgement addressed to the Agent and in a form acceptable to the Agent, from the directors and officers of the Issuer, whereby those officers and directors agree, prior to closing, not to directly or indirectly sell, agree to sell or announce any intention to sell, any common shares or securities exchangeable or convertible into common shares of the Issuer for a period of 90 days from Closing without the prior consent of the Agent, such consent not to be unreasonably withheld.

2. APPOINTMENT OF AGENT

2.1 The Issuer appoints the Agent as its exclusive agent and the Agent accepts the appointment and will act as the exclusive agent of the Issuer to offer 3,500,000 Shares for sale under the Prospectus at the Offering Price on a commercially reasonable efforts basis.

2.2 The services to be performed by the Agent in respect of the Offering shall include, without limitation:

- (a) acting as the Issuer’s agent to solicit offers to purchase the Shares;

- (b) advising the Issuer with respect to the offering of the Shares; and
- (c) reviewing and assisting in the completion of documentation involved in the Offering.

2.3 The Agent understands that the Shares are not being registered under the United States *Securities Act of 1933*, as amended, and represents that it has not offered or sold and agrees that it will not offer, sell or deliver at any time, directly or indirectly, in the United States (which term, as used herein, includes its territories or possessions) or to or for the account of any person whom the Agent knows or has reason to believe is a United States national or resident thereof, any of the Shares, other than with the express prior written consent of the Issuer. The Agent will, to the extent customary in the securities industry in Canada, advise any member of the Selling Group (as defined below) of the restriction in this paragraph.

2.4 The Agent agrees to sell the Shares only in the Selling Provinces and in accordance with and in a manner permitted by the laws of each Selling Province. The Agent further agrees, subject to receipt of the same from the Issuer, to send a copy of all amendments to the Prospectus to all persons to whom copies of the Final Prospectus are sent. The Agent will, to the extent customary in the securities industry in Canada, advise any member of the Selling Group (as defined below) of the restriction in this paragraph.

2.5 The Issuer hereby grants to the Agent, for the purpose of covering over-allotments, if any, and for market stabilization purposes, an over-allotment option to solicit and accept subscriptions for additional Shares up to a maximum of 525,000 Shares (the “**Over-Allotment Option**”). The number of additional Shares subject to the Over-Allotment Option will be the lesser of the Agent’s “over-allocation position” (as such term is defined in National Instrument 41-101 *General Prospectus Requirements*) and 525,000 Shares.

2.6 The Over-Allotment Option shall be exercisable in whole or in part at any time or times on or before 5:00 p.m. (Vancouver time) on the 30th day following the Closing Day. For greater certainty, the Agent shall be paid the Agent’s Fee and issued Agent’s Options in respect of any Shares purchased and sold pursuant to the exercise of the Over-Allotment Option. The Agent may exercise the Over-Allotment Option in whole or in part from time to time during the currency thereof by delivering written notice to the Issuer specifying the number of Shares which the Agent wish to be sold. If the Agent exercises the Over-Allotment Option, the Agent shall, on a date that is not less than three business days and not more than seven business days after the date of notice of exercise (such day to be specified by the Agent in its sole discretion), pay to the Issuer the aggregate purchase price for the Shares so purchased against delivery of the Shares registered in such name or names as the Agent directs. The applicable terms, conditions and provisions of this Agreement shall apply mutatis mutandis to the closing of the issuance of any Shares upon any exercise of the Over-Allotment Option. Notwithstanding the foregoing, the Agent agrees that with respect to the closing of the issuance of Shares upon any exercise of the Over-Allotment Option, the Issuer’s obligations for opinions and certificates as set forth in section 6 shall be limited to providing an Officer’s Certificate (as defined below) dated as of the closing day of the Over-Allotment Option. The Agent may only exercise the Over-Allotment Option for the purposes of covering over-allotments in connection with the Offering.

2.7 Nothing in this Agreement will prevent the Agent from purchasing additional Shares on the Exchange in order to fill subscriptions for additional Shares, subject to Applicable Legislation.

3. THE SHARES

The Shares will be issued and registered in the names and denominations reasonably requested by the Agent. If requested by the Agent, the Issuer will deposit the Shares sold under the Offering electronically with CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee through the non-certificated inventory system of CDS.

4. FILING OF PROSPECTUS

4.1 The Issuer will cause the Prospectus to be filed with the Regulatory Authorities, will deliver all necessary copies of the Prospectus to the Regulatory Authorities and will use its best efforts to have the Prospectus accepted by the Regulatory Authorities.

4.2 The Issuer will provide the Agent with as many copies of the Prospectus as the Agent reasonably requests and the Agent will deliver to each purchaser of Shares under the Offering a copy of the Prospectus in compliance with Applicable Legislation.

4.3 Delivery of the Prospectus and any amendment thereto shall constitute a representation and warranty by the Issuer to the Agent that all information and statements (except information and statements relating solely to the Agent) contained in the Prospectus and any amendment thereto are true and correct in all material respects at the time of delivery thereof and contain no Misrepresentations and constitute full, true and plain disclosure of all Material Facts relating to the Issuer and the Securities and that no Material Fact or material information has been omitted therefrom (except facts of information relating solely to the Agent) which is required to be stated therein or is necessary to make statements of information contained therein not misleading in light of the circumstances under which they were made. Such delivery shall also constitute the Issuer’s consent to the Agent’s use of the Prospectus, any amendment thereto and any other documents supplied to the Agent by the Issuer for the purpose of the sale of Shares in compliance herewith and with the Applicable Legislation.

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

5. LISTING APPLICATION AND CONDUCT OF THE OFFERING

5.1 Prior to the Closing Day, the Issuer will make application to list the Shares, Agent’s Option Shares and Corporate Finance Shares on the Exchange, and confirmation of the Exchange’s approval of such application must be received by Agent and the Shares must be listed on the Exchange as of the Closing Day; provided that if the Exchange does not issue a bulletin in relation to the listing of the Shares at the close of business on the market date before the Closing Day, then the Closing may be delayed at the discretion of the Agent.

5.2 Following the Effective Date and after consulting with the Exchange, the Issuer and the Agent will set the Offering Day.

5.3 The Offering Day will be on or before the day which is:

- (a) 90 days after the Effective Date; or
- (b) if a receipt is issued for an amendment to the Final Prospectus, 90 days after the date of such receipt,

and in any event, no later than 180 days after the Effective Date.

5.4 Immediately after the Offering Day, the Issuer shall take all necessary steps to complete and file with the Exchange its application for listing with all other documentation required by the Exchange, to allow for the listing and posting for trading of the common shares of the Issuer on the Exchange.

The Agent will advise the Issuer and its counsel in writing when the Distribution under the Prospectus is complete.

6. OPINIONS AND CERTIFICATES

6.1 On the Effective Date, the Issuer will deliver the following documents to the Agent and its counsel in a form acceptable to them:

- (a) a comfort letter from the auditor of the Issuer, dated as of the date of the Prospectus and addressed to the Agent and its counsel, relating to the accuracy of the financial statements forming part of the Prospectus and the accuracy of the financial, numerical and certain other information disclosed in the Prospectus; and
- (b) any other certificates, comfort letters or opinions in connection with any matter related to the Prospectus which are reasonably requested by the Agent or its counsel.

6.2 On Closing, the Issuer will deliver the following documents to the Agent and its counsel in a form acceptable to them:

- (a) evidence of the necessary approval of the Regulatory Authorities for the Offering;
- (b) an opinion of counsel for the Issuer, dated as of the Closing Day and addressed to the Agent and its counsel, relating to any legal matter in connection with the creation, issuance and sale of the Securities for which the Agent may reasonably request an opinion;
- (c) an opinion of counsel for the Issuer, dated as of the Closing Day and addressed to the Agent and its counsel, relating to the Issuer's title to its material property interest as set forth in the Prospectus;
- (d) a certificate of the Issuer, dated as of the Closing Day and signed by the chief executive officer and chief financial officer of the Issuer or such other officers approved by the Agent, certifying certain facts relating to the Issuer and its affairs (the "Officers' Certificate"); and
- (e) any other certificates, comfort letters or opinions in connection with any matter related to the Offering which are reasonably requested by the Agent or its counsel.

7. AGENT'S FEE

7.1 In consideration of the services performed by the Agent under this Agreement, the Issuer agrees to pay the Agent's Fee to the Agent as follows:

- (a) a cash commission of 10% of the Offering Price per Share sold (including any Shares sold under the Over-Allotment Option), whether purchased by the Agent for its own account or for its clients or purchased by Selling Group (defined below) members for their own accounts or for their clients, payable in lawful Canadian currency (the "Agent's Fee"); and
- (b) issue that number of Agent's Options to the Agent or to members of its Selling Group as directed by the Agent entitling the Agent or members of its Selling Group to purchase such number of Agent's Option Shares as is equal to 10% of the number of Shares sold under the Offering (including any sold under the Over-Allotment Option). The Agent's Option will be non-transferable. The right to purchase Agent's Option Shares under the Agent's Option may be exercised at any time up to the close of business on the date that is 24 months after the Closing Day at the Offering Price.

7.2 On the Closing Day, the Issuer agrees to pay to the Agent a Corporate Finance Fee of \$35,000 in cash and to issue 150,000 Corporate Finance Shares to the Agent.

8. CLOSING

8.1 The Closing will take place on the Closing Day.

8.2 On Closing the Issuer will deliver the Certificates to the Agent against payment of the Proceeds.

8.3 If the Issuer has satisfied all of its obligations under this Agreement, on Closing, the Agent will pay the Proceeds to the Issuer against delivery of the Certificates.

8.4 Notwithstanding the foregoing, instead of the delivery of physical certificates representing the Shares sold under the Offering, if requested by the Agent, the Issuer will deposit the Shares electronically with CDS Clearing and Depository Services Inc. ("CDS") or its nominee through the non-certificated inventory system of CDS.

8.5 The obligation of the Agent to pay the Proceeds to the Issuer shall be subject to the following conditions precedent:

- (a) completion by the Agent of due diligence on the Issuer to its reasonable satisfaction;
- (b) the Issuer shall have performed or complied with each covenant and obligation herein provided on its part to be performed or complied with, including but not limited to all deliveries under section 6 of this Agreement;
- (c) the Agent shall have received all executed Written Acknowledgements;
- (d) each of the representations and warranties of the Issuer herein shall continue to be true, and the Officer's Certificate shall contain certification to that effect; and

- (e) the Issuer shall have, to the satisfaction of the Agent's counsel, taken or caused to be taken all steps and proceedings which may be requisite under the Applicable Legislation to qualify the Distribution of the Shares to the public in the Selling Provinces through registrants who have complied with the provision of the Applicable Legislation, including the filing and the obtaining of the Preliminary Receipt and the Final Receipt.

9. MATERIAL CHANGES

9.1 If, after the Prospectus is filed with the Regulatory Authorities but before the conclusion of the Distribution, a Material Change or change in a Material Fact occurs in the affairs of the Issuer, the Issuer will:

- (a) notify the Agent immediately, in writing, with full particulars of the change;
- (b) file with the Regulatory Authorities as soon as practicable, and in any event no later than 10 days after the change occurs, an amendment to the Prospectus in a form acceptable to the Agent disclosing the Material Change; and
- (c) provide as many copies of that amendment to the Agent as the Agent may reasonably request.

9.2 The Issuer shall in good faith discuss with the Agent any fact or change in circumstances (actual and anticipated, contemplated or threatened, whether financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to the previous Subsection.

10. TERMINATION

10.1 The Agent may terminate its obligations under this Agreement by notice in writing to the Issuer at any time before the Closing if:

- (a) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets or the business of the Issuer or the ability of the Agent to perform its obligations under this Agreement or an investor's decision to purchase Shares;
- (b) an adverse Material Change or change in a Material Fact relating to any of the Securities occurs or is announced by the Issuer;
- (c) following a consideration of the history, business, products, property or affairs of the Issuer or its principals and promoters, or the state of the financial markets in general, or the state of the market for the Issuer's securities in particular, or the possibility of investors exercising their statutory rights to withdraw from a purchase of the Issuer's securities, the Agent determines, in its sole discretion, that it is not in the interest of investors to complete the Offering;
- (d) the Securities cannot, in the opinion of the Agent, be marketed profitably due to the state of the financial markets, or the market for the Shares in particular; or
- (e) an enquiry or investigation (whether formal or informal) in relation to the Issuer, or the Issuer's directors, officers or promoters, is commenced or threatened by

an officer or official of any competent authority, including any securities regulatory authorities such as the Exchange.

10.2 The Agent may terminate its obligations under this Agreement at any time if:

- (a) any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Issuer is made by a competent regulatory authority and that order is still in effect;
- (b) the Issuer is in breach of any term of this Agreement; or
- (c) the Agent determines that any of the representations or warranties made by the Issuer in this Agreement is false or has become false.

10.3 If the Agent exercises its right to terminate this Agreement, then the Issuer will immediately issue a press release setting out particulars of the termination.

11. WARRANTIES AND REPRESENTATIONS

11.1 The Issuer warrants and represents to the Agent that:

- (a) the Issuer is a valid and subsisting corporation duly incorporated and in good standing under the laws of the jurisdiction in which it is incorporated;
- (b) the Issuer is duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;
- (c) the Issuer has full corporate power and authority to carry on its business as now carried on by it and to undertake the Offering and this Agreement has been, or will be by the Closing, duly authorized by all necessary corporate action on the part of the Issuer;
- (d) all of the material transactions of the Issuer have been promptly and properly recorded or filed in its books or records and its minute books or records contain all records of the meetings and proceedings of its directors, shareholders, and other committees, if any, since inception;
- (e) the authorized capital of the Issuer is as disclosed in the Prospectus and the issued and outstanding common shares of the Issuer are fully paid and non-assessable and, except as disclosed in the Prospectus, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of the Issuer or any other security convertible into or exchangeable for any such shares, or to require the Issuer to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (f) the Issuer has no subsidiaries;

- (g) if required by its authorized share capital structure, the Issuer will reserve or set aside sufficient common shares in its treasury to issue the Shares, the Agent's Option Shares and the Corporate Finance Shares;
- (h) except as qualified by the Prospectus, the Issuer is the legal and beneficial owner of and has good and marketable title to the properties, business and assets or the interests in the properties, business or assets referred to in the Prospectus;
- (i) except as set out in the Prospectus, all agreements by which the Issuer holds an interest in a property, business or asset are in good standing according to their terms, and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated and all filings and work commitments required to maintain the properties in good standing have been properly recorded and filed in a timely manner with the appropriate regulatory body and there are no mortgages, liens, charges, encumbrances or any other interests in or on such properties;
- (j) the Prospectus will contain full, true and plain disclosure of all Material Facts in relation to the Issuer, its business and its securities, will contain no Misrepresentations, will be accurate in all material respects and will omit no fact, the omission of which will make such representations misleading or incorrect;
- (k) the financial statements of the Issuer which form part of the Prospectus have been prepared in accordance with Canadian generally accepted accounting principles, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer as at the date of the financial statements and there have been no adverse material changes in the financial position of the Issuer since the date thereof, and the business of the Issuer has been carried on in the usual and ordinary course consistent with past practice except as fully and plainly disclosed in the Prospectus;
- (l) the auditors of the Issuer who audited the financial statements of the Issuer for the most recent financial year-end and who provided their audit report thereon are independent public accountants as required under Applicable Legislation and there has never been a reportable event (within the meaning of National Instrument 51-102) with the present auditors of the Issuer;
- (m) the Issuer has complied and will comply fully with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, Applicable Legislation and its regulations and the *Business Corporations Act* (British Columbia) in relation to the issue and trading of its securities and in all matters relating to the Offering;
- (n) the Issuer is in compliance with all applicable laws, regulations and statutes (including all environmental laws and regulations) in the jurisdictions in which it carries on business and which may materially affect the Issuer, has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations and statutes, and is not aware of any pending change or contemplated change to any applicable law or regulation or governmental

position that would materially affect the business of the Issuer or the business or legal environment under which the Issuer operates;

- (o) the Issuer has not caused or permitted the release, in any manner whatsoever, of any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances (collectively, the "Hazardous Substances") on or from any of its properties or assets nor has it received any notice that it is potentially responsible for a clean-up site or corrective action under any applicable laws, statutes, ordinances, by-laws, regulations, or any orders, directions or decisions rendered by any government, ministry, department or administrative regulatory agency relating to the protection of the environment, occupational health and safety or otherwise relating to dealing with Hazardous Substances;
- (p) the issue and sale of the Securities by the Issuer does not and will not conflict with, and does not and will not result in a breach of, or constitute a default under (A) any statute, rule or regulation applicable to the Issuer including, without limitation, the Applicable Legislation; (B) the constating documents, by-laws or resolutions of the Issuer which are in effect at the date hereof; (C) any agreement, debt instrument, mortgage, note, indenture, instrument, lease or other document to which the Issuer is a party or by which it is bound; or (D) any judgment, decree or order binding the Issuer or the property or assets of the Issuer;
- (q) the Issuer is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and, to the best of its knowledge, no such actions, suits or proceedings are contemplated or have been threatened;
- (r) there are no judgments against the Issuer which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer is subject;
- (s) there is not any Material Change or change in any Material Fact relating to the Issuer which has not been fully disclosed in the Prospectus;
- (t) no order ceasing, halting or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to and is outstanding against the Issuer or its directors, officers or promoters or against any other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened;
- (u) the Issuer has complied with all requirements of National Instrument 43-101, including but not limited to the preparation and filing of technical reports;
- (v) the Issuer has filed all federal, provincial, local and foreign tax returns which are required to be filed, or has requested extensions thereof, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, or any amounts due and payable to any governmental authority, to the extent that any of the foregoing is due and payable;
- (w) the Issuer has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Issuer, except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer which are known by the Issuer's

management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Issuer;

- (x) except as set out in the Prospectus, the Issuer does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at “arm’s length” (as such term is used in the *Income Tax Act* (Canada));
- (y) the Issuer shall not take any action which would be reasonably expected to result in the delisting or suspension of its common shares on or from the Exchange or on or from any stock exchange, market or trading or quotation facility on which its common shares are listed or quoted and the Issuer shall comply, in all material respects, with the rules and regulations thereof;
- (z) other than the Agent, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finder’s fee in connection with the transactions described herein; and
- (aa) the warranties and representations in this Subsection are true and correct and will remain so as of the conclusion of the distribution under the Prospectus.

11.2 The Agent warrants and represents to the Issuer that:

- (a) it is a valid and subsisting corporation under the law of the jurisdiction in which it was incorporated, continued or amalgamated;
- (b) the Agent has all requisite power and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (c) the Agent is, and will remain until the completion of the Offering, appropriately registered under Applicable Legislation so as to permit it to lawfully fulfil its obligations hereunder and the Agent is, and will remain until the completion of the Offering, a Dealer of the Exchange (as defined under Exchange policy) in good standing; and
- (d) the Agent has complied with and will fully comply with the requirements of all Applicable Legislation, its rules and regulations and the by-laws and rules of the Exchange, in relation to trading in the Securities and all matters relating to the Offering.

12. EXPENSES OF AGENT

12.1 The Issuer will pay all of the expenses of the Offering and all the expenses reasonably incurred by the Agent in connection with the Offering including, without limitation, the reasonable fees and expenses of the solicitors for the Agent.

12.2 The Issuer will pay the expenses referred to in the previous Subsection even if the Prospectus and this Agreement are not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed or this Agreement is

terminated, unless the failure of acceptance or completion or the termination is the result of a breach of this Agreement by the Agent.

12.3 The Agent may, from time to time, render accounts to the Issuer for its expenses for payment on the dates set out in the accounts.

12.4 The Issuer authorizes the Agent to deduct its reasonable expenses in connection with the Offering from the proceeds of the Offering, including expenses for which an account has not yet been rendered to the Issuer.

12.5 The Agent acknowledges receipt of the sum of \$10,000, with such funds representing an advance with respect to expenses of the Agent payable pursuant to this Section.

13. CONSENT TO ISSUE SECURITIES

For a period of 90 days from the Closing Day, without the prior consent of the Agent (such consent not to be unreasonably withheld or delayed), the Issuer agrees not to directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of any additional Shares or any securities convertible into or exchangeable into Shares, other than pursuant to:

- (a) the exercise of the Over-Allotment Option;
- (b) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the Closing;
- (c) the issue of Shares upon the exercise of convertible securities, warrants or options outstanding prior to the Closing; and
- (d) previously scheduled property and/or other corporate acquisitions.

14. SALES BY MANAGEMENT

14.1 The Issuer will ensure that the directors and officers of the Issuer execute the Written Acknowledgements prior to the Closing.

15. ALTERNATIVE TRANSACTION

15.1 In the event that the Issuer withdraws from the Offering and the Issuer completes an Alternative Transaction within 12 months from the withdrawal from the Offering, the Issuer shall pay to the Agent a fee equal to the maximum amount of fees otherwise payable under this Agreement upon closing the Alternative Transaction (such fee calculated on the basis of the maximum offering of Shares under the Offering, including the exercise of the Over-allotment Option).

16. INDEMNITY

16.1 The Issuer hereby agrees to indemnify and save harmless the Agent and its affiliates and its respective directors, officers, employees, partners, agents, advisors and shareholders (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”) from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits) whether joint or several, including the

aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (each a “**Claim**” and, collectively, the “**Claims**”) which an Indemnified Party may incur or become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of services rendered by the Agent in connection with this Agreement whether performed before or after the execution of the Agreement by the Issuer and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim.

16.2 This indemnity shall not be available to any Indemnified Party in relation to any losses, expenses, claims, actions, damages or liabilities incurred by the Issuer that are determined by a court of competent jurisdiction in a final judgement that has become non-appealable to have resulted primarily from the Indemnified Party’s breach of agreement, gross negligence, fraud or wilful misconduct.

16.3 In the event and to the extent that a court of competent jurisdiction, in a final judgement that has become non-appealable, determines that an Indemnified Party was grossly negligent, fraudulent or guilty of wilful misconduct in connection with a Claim in respect of which the Issuer has advanced funds to the Indemnified Party pursuant to this indemnity, this indemnity shall cease to apply to such Indemnified Party in respect of such Claim and such Indemnified Party shall reimburse any funds advanced by the Issuer to the Indemnified Party pursuant to this indemnity in respect of such Claim. The Issuer agrees to waive any right the Issuer might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.

16.4 If any Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Issuer, the Indemnified Party will give the Issuer prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Issuer will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the Issuer of its obligation of indemnification hereunder unless (and only to the extent that) such failure results in forfeiture by the Company of substantive rights or defences.

16.5 No admission of liability and no settlement, compromise or termination of any Claim shall be made without the consent of the Issuer and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld, provided, however, that no consent of an Indemnified Party will be required if the Issuer has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise or termination includes an unconditional release of each Indemnified Party from any liability arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party. Notwithstanding that the Issuer will undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to such Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

- (a) employment of such counsel has been authorized in writing by the Issuer;

- (b) the Issuer has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim;
- (c) the named parties to any such claim include the Issuer and the Indemnified Party, and the Indemnified Party shall have been advised by counsel to the Indemnified Party that there may be a conflict of interest between the Issuer and any Indemnified Party; or
- (d) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Issuer, as the case may be,

in which case such fees and expenses of such counsel to the Indemnified Parties will be for the account of the Issuer, provided that the Issuer shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties. The rights accorded to the Indemnified Parties hereunder will be in addition to any rights an Indemnified Party may have at common law or otherwise.

16.6 If for any reason the foregoing indemnification is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties (or any of them) or insufficient to hold them harmless, the Issuer agrees to contribute to the amount paid or payable by the Indemnified Parties as a result of such Claims in such proportion as is appropriate to reflect not only the relative benefits received by the Issuer or the Issuer's shareholders on the one hand and the Indemnified Parties on the other, but also the relative fault of the parties and other equitable considerations which may be relevant. Notwithstanding the foregoing, the Issuer will in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any amount in excess of the fees actually received by the Indemnified Parties hereunder.

16.7 The Issuer hereby constitutes the Agent as trustee for each of the other Indemnified Parties of the covenants of the Issuer under this indemnity with respect to such persons and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

17. NO FIDUCIARY DUTY

17.1 The Issuer hereby acknowledges and agrees that all written and oral opinions, advice, analysis and materials provided by the Agent in connection with this Agreement hereunder are intended solely for the Issuer's benefit and the Issuer's internal use only with respect to the Offering and the Issuer agrees that no such opinion, advice, analysis or material will be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without the Agent's prior written consent in each specific instance. Any advice or opinions given by the Agent hereunder will be made subject to, and will be based upon, such assumptions, limitations, qualification and reservations as the Agent, in their sole judgment, deem necessary or prudent in the circumstances.

17.2 The Issuer agrees and acknowledges that the Agent is acting as an independent contractor under this Agreement and not in any other capacity, including as a fiduciary, and any duties arising out of this Agreement shall be owed solely to the Issuer.

18. ASSIGNMENT AND SELLING GROUP PARTICIPATION

18.1 The Agent will not assign this Agreement or any of its rights under this Agreement or, with respect to the Securities, enter into any agreement in the nature of an option or a

sub-option unless and until, for each intended transaction, the Agent has obtained the consent of the Issuer and notice has been given to and accepted by the Regulatory Authorities.

18.2 The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investment dealers (the "Selling Group"), who may or who may not be offered part of the commissions or fees to be received by the Agent pursuant to this Agreement. In the event that a Selling Group is formed, the Agent will manage the Selling Group to the extent customary in the securities industry in Canada. The Agent will determine the percentage fee payable to the members of the Selling Group, which fee will be paid by the Agent out of the Agent's Fee.

19. NOTICE

19.1 Any notice to be given hereunder shall be in writing and may be given by mail, facsimile or by hand delivery and shall, in the case of notice to the Issuer, be addressed and faxed or delivered to:

Carrara Exploration Corp.
#Suite 200, 551 Howe Street
Vancouver, B.C. V6C 2C2

Attention: Robert Coltura
Fax No.: (604) 888-1892

with a copy to:

Lotz & Company
Suite 415-1040 West Georgia Street
Vancouver, B.C. V6E 4H1

Attention: Jonathan Lotz
Fax No.: (604) 699-0112

and in the case of the Agent, be addressed and faxed or delivered to:

Haywood Securities Inc.
Suite 700, 200 Burrard Street
Vancouver, British Columbia V6C 3L6

Attention: Don Wong
Fax No.: (604) 697-7499

with a copy to:

Miller Thomson LLP
Suite 1000 – 840 Howe Street
Vancouver, British Columbia, V6Z 2M1

Attention: Dwight Dee
Fax No.: (604) 643-1200

19.2 The Issuer and the Agent may change their respective addresses for notice by notice given in the manner referred to above.

19.3 If notice is sent by facsimile transmission or is delivered, it will be deemed to have been given at the time of transmission or delivery.

19.4 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed the notice will be sent by facsimile transmission or will be delivered.

20. TIME

Time is of the essence of this Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

21. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations, warranties, covenants and indemnities of the parties contained in this Agreement will survive the closing of the purchase and sale of the Securities.

22. LANGUAGE

Wherever a singular or masculine expression is used in this Agreement, that expression is deemed to include the plural, feminine or the body corporate where required by the context.

23. ENUREMENT

This Agreement enures to the benefit of and is binding on the parties to this Agreement and their successors and permitted assigns.

24. HEADINGS

The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

25. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and supersedes any other previous agreement between the parties with respect to the Offering and there are no other terms, conditions, representations or warranties whether express, implied, oral or written by the Issuer or the Agent.

26. COUNTERPARTS

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

27. LAW

This Agreement and its application and interpretation will be governed exclusively by the laws prevailing in British Columbia. The parties to this Agreement consent to the jurisdiction of the courts of British Columbia, which courts shall have exclusive jurisdiction over any dispute of any kind arising out of or in connection with this Agreement.

This Agreement was executed and delivered as of the date given above.

[signature page to follow immediately]

CARRARA EXPLORATION CORP.

Per: 

Authorized Signatory

HAYWOOD SECURITIES INC.

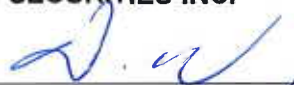
Per: _____

Authorized Signatory

CARRARA EXPLORATION CORP.

Per: _____
Authorized Signatory

HAYWOOD SECURITIES INC.

Per:  _____
Authorized Signatory