

AGENCY AGREEMENT

October 17, 2018

Asia Cannabis Corp.
Suite 730, 1015 - 4th Street SW
Calgary, Alberta T2R 1J4

Attention: Johannes Kingma
President and Chief Executive Officer

Dear Sir:

Emerging Equities Inc. (the "**Agent**") understands that Asia Cannabis Corp. (the "**Corporation**") proposes to issue and sell an aggregate of 5,000,000 common shares ("**Offered Shares**") in the capital of the Corporation (the "**Offering**").

Subject to the terms and conditions hereof, the Agent hereby agrees to act, and the Corporation appoints the Agent, as the sole and exclusive agent of the Corporation to offer the Common Shares for sale in the Qualifying Jurisdictions (as defined herein) on a commercially reasonable "best efforts" basis at a purchase price of \$0.25 per Common Share and to use its reasonable commercial efforts to secure subscriptions therefor. The Corporation acknowledges and agrees that the Agent is not obligated to purchase any of the Common Shares as principal.

In connection with the Offering, the Agent shall be entitled to retain as sub-agents other registered securities dealers and may receive subscriptions for Common Shares from other registered securities dealers. The fee payable to such sub agents shall be for the account of the Agent and shall not exceed the fee payable to the Agent hereunder.

In consideration for its services hereunder, the Agent shall be entitled to the fee provided for in Section 2, which fee shall be payable at the time or times specified and otherwise in accordance with Section 2. For greater certainty, the services provided by the Agent in connection herewith will not be subject to the goods and services tax provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided.

The Corporation hereby grants to the Agent an option with respect to the Common Shares (the "**Over-Allotment Option**"). The Over-Allotment Option is exercisable in whole or in part in the sole discretion of the Agent at any time up to 7 days after the Closing Date (as defined herein), to purchase up to an additional 750,000 Common Shares (the "**Over-Allotment Shares**" and, together with the Offered Shares, the "**Offered Securities**") at a price of \$0.25 per Common Share.

The following are terms and conditions of this agency agreement (the "**Agreement**"):

1. **DEFINITIONS**

1.1 For the purposes of this Agreement and any amendments hereto the following words and phrases shall have the following meanings:

- (a) "**Advisory Fee**" has the meaning given thereto at Section 2.3;
- (b) "**Agent's Commission**" has the meaning given thereto at Section 2.5(b);

- (c) "**Agent's Warrants**" means the non-transferrable Common Share purchase warrants of the Corporation to be granted to the Agent pursuant to Section 2.6 hereof, entitling the Agent to acquire equal to 8% of the number of Common Shares sold pursuant to the Offering at the Share Price until the Expiry Time;
- (d) "**Applicable Laws**" means all applicable laws, rules, regulations, policies, statutes, ordinances, codes, orders, consents, decrees, judgments, decisions, rulings, awards, or guidelines, the terms and conditions of any permits, including any judicial or administrative interpretation thereof, of any Governmental Authority, including without limitation the *Cannabis Act*, the *Cannabis Regulations* and the *Industrial Hemp Regulations*;
- (e) "**Board of Directors**" means the Board of Directors of the Corporation, as constituted from time to time;
- (f) "**Business Day**" means any day, other than a Saturday or Sunday, on which commercial banks in Calgary, Alberta are open for commercial banking business during normal banking hours;
- (g) "**Closing**" means the completion of the transactions contemplated by this Agreement on the Closing Date as herein provided;
- (h) "**Closing Date**" means the date upon which the Closing occurs, which date shall be agreed to between the Corporation and the Agent and shall not be more than ninety (90) days from the date of the issuance of a receipt for the Prospectus by the Alberta Securities Commission, or such other date as the parties hereto may agree and Securities Legislation may allow;
- (i) "**Commission**" has the meaning given thereto at Section 2.5(b);
- (j) "**Common Shares**" means the common shares in the capital of the Corporation;
- (k) "**Deposit**" has the meaning given thereto at Section 2.3;
- (l) "**distribution**" means "**distribution**" or "**distribution to the public**", as the case may be, as defined under the Securities Legislation; and "**distribute**" has a corresponding meaning;
- (m) "**Due Diligence Sessions**" has the meaning set forth in Section 5.2 of this Agreement;
- (n) "**Environmental Laws**" means all Applicable Laws relating to the environment or environmental issues (including air, surface, water and stratospheric matters), pollution or protection of human health and safety, including without limitation relating to the release, threatened release, manufacture, processing, blending, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;
- (o) "**Exchange**" means the Canadian Securities Exchange;
- (p) "**Expiry Date**" means the date in which the Agent's Warrants expire, being the date that is 24 months following the Closing;

- (q) "**Expiry Time**" means the time in which the Agent's Warrants expire, being 5:00 p.m. (Calgary time) on the date that is 24 months following the Closing;
- (r) "**Financial Statements**" means the audited financial statements of the Corporation which are appended to the Prospectus;
- (s) "Forward-Looking Statements" has the meaning given thereto at Section 9.3
- (t) "**Governmental Authority**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:
 - (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
 - (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (u) "**Hazardous Materials**" means chemicals, fluids, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products;
- (v) "**knowledge**" means to the best of the knowledge, information and awareness of Johannes J. Kingma and Vincent E. Ghazar after having made reasonable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by officers of the Corporation in the discharge of their duties;
- (w) "**Material Adverse Effect**" or "**Material Adverse Change**" means any effect, change, event or occurrence that, alone or in conjunction with any other effect, change, event or occurrence: (i) is materially adverse to the results of operations, condition (financial or otherwise), assets, properties, capital, liabilities (contingent or otherwise), cash flow, income, prospects or business operations of the Corporation taken as a whole, including the Proposed Business to be conducted by the Corporation as described in the Prospectus; or (ii) would result in the Prospectus or any Prospectus Amendment containing a Misrepresentation;
- (x) "**material change**" and "**material fact**" shall have the meanings ascribed thereto under the Securities Legislation;
- (y) "**Misrepresentation**" has the meaning ascribed thereto by the Securities Legislation;
- (z) "**NP 11-202**" means National Policy 11-202 — *Process for Prospectus Reviews in Multiple Jurisdictions* of the Canadian Securities Administrators, as amended or replaced;
- (aa) "**Preliminary Prospectus**" means the preliminary prospectus of the Corporation dated May 17, 2018 and any amendments thereto approved, signed and certified in accordance with Securities Legislation, relating to the distribution of the Offered Securities and filed with the Commissions;

- (bb) "**President's List**" means the list of certain subscriptions to be agreed to between the Corporation and the Agent;
- (cc) "**Proposed Business**" means the business proposed to be conducted by the Corporation after the completion of the Offering as described in the Prospectus;
- (dd) "**Prospectus**" means the (final) prospectus of the Corporation and any amendments thereto, approved, signed and certified in accordance with the Securities Legislation, relating to the distribution of the Offered Securities and the Agent's Warrants and filed with the Securities Commissions;
- (ee) "**Prospectus Amendment**" means any amendment to the Preliminary Prospectus or the Prospectus;
- (ff) "**Qualifying Jurisdictions**" means each the Provinces of Alberta, British Columbia and Ontario;
- (gg) "**Responses**" means the written and verbal responses provided by any responsible officer of the Corporation at the Due Diligence Sessions, excluding the portion of such responses that are forward-looking or related to projections or forecasts, but, for greater certainty, including the portion of such responses which relate to the Proposed Business and any other assets of the Corporation;
- (hh) "**Securities Commissions**" means the Alberta Securities Commission, the British Columbia Securities Commission and the Ontario Securities Commission;
- (ii) "**Securities Legislation**" means the *Securities Act* (Alberta), the *Securities Act* (British Columbia) and the *Securities Act* (Ontario) and the respective rules and regulations thereto, and the policy statements, rules, notices and blanket orders of the Securities Commissions, the national instruments, the multilateral instruments, the national policy statements and uniform act policies applied by the Securities Commissions, and the policies and by-laws of the Exchange, as amended from time to time;
- (jj) "**Share Price**" means \$0.25 per Offered Security;
- (kk) "**Sponsorship Fee**" has the meaning given thereto at Section 2.3;
- (ll) "**Sponsorship Fee Deposit**" has the meaning given thereto at Section 2.3;
- (mm) "**Subscriber**" or "**Subscribers**" means a person or those persons who subscribe for the Offered Shares through the Agent or such other registrants retained by the Agent as sub-agents to sell subscriptions in conjunction with the Agent;
- (nn) "**Subscription Funds**" means all funds received with respect to all Successful Subscriptions in accordance with the terms and provisions of this Agreement;
- (oo) "**Successful Subscription**" means a subscription for Offered Shares by a Subscriber which subscription has been accepted by the Corporation and the Agent;
- (pp) "**Time of Closing**" means 6:00 a.m. Calgary time on the Closing Date, or such other time on the Closing Date as the Corporation and the Agent may agree;

(qq) "**Total Subscription**" means all of the Successful Subscriptions for the Offered Shares;

(rr) "**TSX Trust**" means TSX Trust Company;

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 Sections and 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 and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

2. **APPOINTMENT AND REMUNERATION OF AGENT**

2.1 Subject to the terms hereof, the Corporation hereby appoints the Agent as the sole and exclusive agent and the Agent hereby agrees to act as the sole and exclusive agent of the Corporation to assist in soliciting subscriptions for the Offered Shares in accordance with Securities Legislation.

2.2 The Agent agrees to use its commercially reasonable efforts to sell the Offered 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 Shares. The Agent may retain other registrants to act as subagents to solicit subscriptions for the Offered Shares at no additional cost to the Corporation provided any compensation paid or payable to such subagents, including all or any portion of the Agent's Warrants, shall be solely for the account of the Agent. The Agent shall be under no liability for any failure to sell any or all of the Offered Shares or to engage subagents.

2.3 The Corporation has provided to the Agent a strategic advisory fee of 1,120,000 Common Shares (the "**Advisory Fee**"), \$10,000 (the "**Fee Deposit**") of a total sponsorship fee (the "**Sponsorship Fee**") of \$35,000 (the remaining \$25,000 to be paid on the Closing Date) and a deposit for legal expenses in the amount of \$5,000 (the "**Deposit**"). The receipt of the Advisory Fee, the Sponsorship Fee Deposit and the Deposit is hereby acknowledged by the Agent.

2.4 If the Offering is terminated prior to Closing, including, but not limited to, pursuant to Article 13 of this Agreement, the Agent shall retain the Advisory Fee and the Sponsorship Fee Deposit and shall apply the Deposit against the reasonable expenses and the reasonable fees, charges and expenses of the Agent and its counsel. If, upon the termination the Offering prior to Closing, the reasonable expenses and the reasonable fees, charges and expenses of the Agent and its counsel exceed the Deposit, the Corporation shall immediately pay such excess upon receipt of invoices from the Agent or Agent's counsel, as the case may be.

2.5 Upon Closing:

(a) the Agent shall apply the Deposit against the reasonable expenses of the Agent and the reasonable fees, charges and expenses of the Agent's counsel, and the Corporation will pay: (i) the remainder of the Sponsorship Fee; and (ii) the reasonable expenses of the Agent and the reasonable fees, charges and expenses of the Agent's counsel in excess of the Deposit at the Time of Closing pursuant to Section 11 hereof by the Agent deducting

such amount from the Subscription Funds payable to the Corporation at the Time of Closing; and

- (b) the Corporation shall further pay to the Agent, in consideration for the services to be performed by it hereunder, a commission in the amount of eight (8%) percent of the Subscription Funds (the "**Agent's Commission**"). Notwithstanding the foregoing, for Subscriptions from the Presidents List, a commission fee equal to five (5%) percent of the Subscription Funds shall be paid by the Corporation to the Agent (together with the Agent's Commission, the "**Commission**"). The Commission shall be paid at the Time of Closing by the Agent deducting such amount from the Subscription Funds payable to the Corporation at the Time of Closing.

- 2.6 the Corporation hereby grants to the Agent or as directed by the Agent at the Time of Closing the Agent's Warrants. Each Agent's Warrant will be non-transferable and will entitle the warrant holder to purchase one Common Share at the Share Price for a period of two (2) years from the Closing Date. The Agent's Warrants may be surrendered for exercise, transfer or exchange at the offices of the Corporation. The Agent's Warrants may be exercised upon surrender of the certificates representing the Agent's Warrants on or before the Expiry Date to the Corporation along with the completed and executed notice of Agent's Warrant exercise form and accompanied by payment of the exercise price for the number of Common Shares for which the Agent's Warrants are being exercised. The Agent's Warrants, the Common Shares issuable upon exercise of the Agent's Warrants, and the Over-Allotment Shares issued pursuant to the Over-Allotment Option shall be qualified under and be distributed pursuant to the Prospectus along with the Offered Shares issued under the Offering.

3. **SUBSCRIPTIONS**

- 3.1 The Corporation will:

- (a) at such time as Successful Subscriptions for the Total Subscription have been received; or
- (b) at 5:00 p.m. (Calgary time) on the day that is ninety (90) days from the date of the issuance of the receipt for the Prospectus by the Securities Commissions, or such other date as the parties hereto may agree and Securities Legislation may allow;

whichever shall first occur, close the subscription books and thereafter shall not receive any further subscriptions for the Offered Shares.

- 3.2 Subscribers may subscribe for Offered Shares by delivering to the Agent acting reasonably, or any sub-agents retained pursuant to Section 2.2 hereof on or prior to the Closing Date:

- (a) payment for the aggregate subscription price in a manner acceptable to the Agent; and
- (b) such documents, certificates and forms as, in the opinion of the Agent, may be required.

4. **COMPLIANCE WITH SECURITIES LAWS**

- 4.1 The Corporation represents and warrants to the Agent that:

- (a) the Corporation has prepared and filed the Preliminary Prospectus and other documents required by Securities Legislation with the Securities Commissions and has obtained a

receipt from the Alberta Securities Commission for the Preliminary Prospectus, which receipt also evidences that the Ontario Securities Commission has issued a receipt for the Preliminary Prospectus; and

- (b) pursuant to NP 11-202, a receipt from the Alberta Securities Commission for the Preliminary Prospectus is deemed to have been issued by the Securities Commissions other than the Ontario Securities Commission. The Corporation will, forthwith after any comments of the Securities Commissions in respect of the Preliminary Prospectus have been addressed to the satisfaction of the Securities Commissions, prepare and file the Prospectus, in form and substance satisfactory to the Agent, acting reasonably, with the Securities Commissions and obtain a receipt from the Alberta Securities Commission for the Prospectus as soon as possible after such filing. Such receipt will also evidence that the Ontario Securities Commission has issued a receipt for the Prospectus and that, pursuant to NP 11-202, a receipt for the Prospectus has been deemed issued by the Securities Commissions other than the Ontario Securities Commission.

4.2 The Corporation will promptly fulfil and comply with, to the satisfaction of the Agent, acting reasonably: (i) Securities Legislation required to be fulfilled or complied with by the Corporation to enable the Offered Securities to be lawfully distributed to the public in the Qualifying Jurisdictions through the Agent or any other investment dealers or brokers registered as such in the Qualifying Jurisdictions; and (ii) Applicable Laws of any other jurisdiction that the Agent and Corporation may mutually agree.

4.3 Until the date on which the distribution of the Offered Shares, including those to be distributed upon exercise of the Agent's Warrants and the Over-Allotment Shares, if applicable, is completed, the Corporation will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required or desirable under Securities Legislation to continue to qualify the distribution of the Offered Shares in the Qualifying Jurisdictions. The Agent agrees to use reasonable commercial efforts to assist the Corporation to secure compliance with all regulatory requirements in connection with the Offering.

5. DUE DILIGENCE

5.1 Prior to the filing of the Prospectus, the Corporation shall permit the Agent to review and participate in the preparation of the Prospectus, the responses of the Corporation to any comments of the Securities Commissions in respect of the Prospectus and any other documents prepared by the Corporation in relation to the Offering and shall allow the Agent to conduct any due diligence investigations which it requires in order to fulfil its obligations as an agent under Securities Legislation and in order to enable it to responsibly execute the certificate in the Prospectus required to be executed by it. Following the execution and delivery of this Agreement up to the later of the Closing Date and the date of completion of the distribution of the Offered Shares, the Corporation shall allow the Agent to conduct any due diligence investigations which it requires in order to fulfill its obligations as an agent under Securities Legislation.

5.2 Without limiting the generality of the foregoing, the Corporation shall make available its directors, officers, management and audit committee, and shall use its commercially reasonable efforts to cause its auditors, legal counsel and other experts to be available, to answer any questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to the completion of the distribution of the Offered Shares (collectively, the "**Due Diligence Sessions**"). The Agent shall distribute the list of written questions to be answered in advance of each such Due Diligence Session and the Corporation shall provide Responses to such

questions and shall use its commercially reasonable efforts to have its auditors, legal counsel and other experts provide Responses to such questions at the Due Diligence Sessions.

6. **OBLIGATIONS OF THE AGENT**

6.1 The Agent covenants to the Corporation that it shall:

- (a) only solicit subscriptions for the Offered Shares from subscribers resident in the Qualifying Jurisdictions in compliance with Securities Legislation and the terms and conditions set out herein;
- (b) use commercially reasonable efforts to obtain subscriptions for the Offered Shares from at least 150 public holders (as set out in the Policies and Procedures of the Exchange);
- (c) close the subscription books and thereafter not receive any further subscriptions for the Offered Shares at the earlier of such time:
 - (i) as orders for 5,000,000 Offered Shares have been received; or
 - (ii) as prescribed by Securities Legislation; and
- (d) provide all such notices and documents as may be required by Securities Legislation in connection with the sale of the Offered Shares pursuant to the Prospectus.

7. **DELIVERY OF DOCUMENTS**

7.1 On or prior to the time of filing of the Prospectus, the Corporation shall deliver to the Agent (except to the extent such documents have been previously delivered to the Agent, or are available on SEDAR):

- (a) a copy of each of the Preliminary Prospectus and the Prospectus signed and certified by the Corporation as required by Securities Legislation in the Qualifying Jurisdictions;
- (b) a copy of any other document required to be filed by the Corporation under Securities Legislation;
- (c) a "long-form" comfort letter of MNP LLP, dated the date of the Prospectus (with the requisite procedures to be completed by such auditors no earlier than two Business Days prior to the date of the Prospectus), addressed to the Agent, the Corporation and the directors of the Corporation, in form and substance satisfactory to the Agent, acting reasonably, with respect to certain financial and numerical information relating to the Corporation contained in the Prospectus, which letter shall be in addition to the auditors' report contained in the Prospectus and any auditors' comfort letter addressed to the Securities Commissions; and
- (d) a copy of the letter from the Exchange advising the Corporation that conditional approval of the listing of the Offered Securities, including the Common Shares issuable upon exercise of the Agent's Warrants, has been granted by the Exchange, subject to the satisfaction of the customary conditions set out therein.

- 7.2 In the event that the Corporation is required by Securities Legislation to prepare and file a Prospectus Amendment, the Corporation shall prepare and deliver promptly to the Agent signed and certified copies of such Prospectus Amendment. Any Prospectus Amendments shall be in form and substance satisfactory to the Agent, acting reasonably. Concurrently with the delivery of any Prospectus Amendment, the Corporation shall deliver to the Agent, with respect to such Prospectus Amendment, documents similar to those referred to in subsections 7.1(a), (b) and (c).
- 7.3 The Corporation shall cause commercial copies of the Prospectus to be delivered to the Agent without charge, in such quantities and in such cities as the Agent may reasonably request by written or oral instructions to the printer of such documents. Such delivery of the Prospectus shall be effected as soon as possible after filing thereof with the Securities Commissions, in electronic and printed form, but in any event on or before 2:00 p.m. (Calgary time) on the date following filing of the Prospectus (for the electronic form and for deliveries in Toronto) and on or before noon (local time) two business days following filing of the Prospectus (for deliveries other than in Toronto). Such deliveries shall constitute the consent of the Corporation to the Agent's use of the Prospectus for the distribution of the Offered Shares in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Securities Legislation. The Corporation shall similarly cause to be delivered commercial copies of any Prospectus Amendments. The Agent agrees with the Corporation, subject to receipt of the same from the Corporation, to send a copy of the Prospectus to purchasers of Offered Shares in Canada promptly following receipt thereof, and to send a copy of any Prospectus Amendment to all persons to whom copies of the Prospectus are sent promptly following receipt thereof.

8. REPRESENTATIONS AS TO PROSPECTUS AND PROSPECTUS AMENDMENTS

- 8.1 Filing of the Preliminary Prospectus, the Prospectus and any Prospectus Amendment shall constitute a representation and warranty by the Corporation to the Agent that, as at their respective dates:
- (a) the information and statements (except information and statements relating solely to the Agent which has been provided by the Agent to the Corporation in writing specifically for use in the Preliminary Prospectus, the Prospectus or any Prospectus Amendment (collectively, "**Agent's Information**")) contained in the Preliminary Prospectus, the Prospectus and any Prospectus Amendment have been reviewed and approved by the Board of Directors, are true and correct, contain no Misrepresentations and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offered Shares and the Offering;
 - (b) no material fact or information has been omitted from such disclosure (except for Agent's Information) that is required to be stated in such disclosure or that is necessary to make a statement contained in such disclosure not misleading in the light of the circumstances under which it was made;
 - (c) except with respect to any Agent's Information, such documents comply in all material respects with the requirements of Securities Legislation and the applicable securities laws in the Qualifying Jurisdictions.
- 8.2 Such filings shall also constitute the Corporation's consent to the Agent's use of the Preliminary Prospectus, the Prospectus, and any Prospectus Amendment in connection with the distribution of the Offered Shares in the Qualifying Jurisdictions in compliance with this Agreement and

Securities Legislation and such other jurisdictions as the Corporation and the Agent may agree, in compliance with this Agreement and Applicable Laws.

9. **ADDITIONAL REPRESENTATIONS AND WARRANTIES OF THE CORPORATION**

The Corporation hereby represents and warrants to the Agent and acknowledges that the Agent is relying thereon, that:

- 9.1 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, has all the requisite corporate power and capacity to carry on its business as now conducted and as presently proposed to be conducted by it, and to own its properties and assets and conduct its business as described in the Prospectus.
- 9.2 The Corporation has no subsidiaries, nor will it be affiliated with or be a "holding corporation" of any other body corporate (within the meaning of such term in the *Securities Act* (Alberta)), nor will it be a partner of any partnerships or limited partnerships, and the Corporation will have no shareholdings in any other corporation or business organization.
- 9.3 The Corporation has conducted, is conducting and will conduct its business in unilateral compliance with all Applicable Laws, rules and regulations of each jurisdiction in which it carries and will carry on a material portion of its business (including the Proposed Business) and the Corporation has not received any notice of any alleged violation of any such laws, rules and regulations.
- 9.4 All operations of the Corporation in respect of or in connection with its business have been and continue to be conducted in accordance with best industry practices and in material compliance with all Applicable Laws.
- 9.5 All product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation and in connection with its business is being conducted in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its business (including the Proposed Business) and all such processes, procedures and practices required in connection with such activities are in place as necessary and are being complied with in all material respects.
- 9.6 All agreements with third parties in connection with the Corporation's business have been entered into and are being performed by the Corporation and, to the knowledge of the Corporation, by all other third parties thereto, in compliance with their terms. There exists no actual or, to the knowledge of the Corporation, threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Corporation, with any supplier or customer, or any group of suppliers or customers whose business with or whose purchases or inventories/components provided to the business of the Corporation that is material to the assets, business, properties, operations or financial condition of the Corporation. All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent the Corporation from conducting such business with any such third parties in the same manner in all material respects as currently conducted or proposed to be conducted.
- 9.7 The Corporation has security measures and safeguards in place to protect personal information it collects or will collect from patients and customers and other parties from illegal or unauthorized

access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Corporation has complied and will comply, in all material respects, with all applicable privacy and consumer protection legislation and neither has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation has taken and will take all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse.

- 9.8 The Corporation owns or possess the right to use all material patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights necessary for the conduct of its business, and the Corporation is not aware of any bona fide claim to the contrary or any challenge by any other person to the rights of the Corporation with respect to the foregoing. The Corporation's business, as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with in any material respect patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other intellectual property or franchise right of any person. No bona fide claim has been made against the Corporation alleging the infringement by the Corporation of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person.
- 9.9 With respect to any leased premises, the Corporation has the exclusive right to occupy and use the leased premises and each of the leases pursuant to which the Corporation occupies the leased premise is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases.
- 9.10 The Corporation is in compliance, in all material respects, with all Environmental Laws, including all reporting and monitoring requirements thereunder, and there are no pending or, to the knowledge of the Corporation, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws. The Corporation has not received any notice of any non-compliance in respect of Environmental Laws, there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or remediation under Environmental Laws or relating to any Hazardous Materials and there are no permits required under Environmental Laws for the conduct of the Business. The facilities and operations of the Corporation are currently being conducted, and to the knowledge of the Corporation have been conducted, in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and policies.
- 9.11 The authorized capital of the Corporation consists of the share capital disclosed in the Prospectus, the number of Common Shares disclosed in the Prospectus as issued and outstanding is correct and all of the issued and outstanding Common Shares have been duly issued and are fully paid and non-assessable. Except for 3,120,010 stock options to purchase Common Shares, no person, firm or corporation has any agreement, option, or right or privilege, whether pre-emptive or contractual, capable of becoming an agreement, including convertible securities, for the purchase, subscription or issuance of any unissued Common Shares or other securities of the Corporation.

- 9.12 The provisions of the Offered Securities and Agent's Warrants conform, in all material respects, with the description thereof contained in the Prospectus.
- 9.13 The form and the terms of the certificates for the Offered Securities and Agent's Warrants have been approved by the Board of Directors of the Corporation and comply with all legal and Exchange requirements and do not conflict with the by-laws or constating documents of the Corporation.
- 9.14 There are no unanimous shareholder agreements and, to the knowledge of the Corporation, there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or the operations or affairs of the Corporation, and there are no persons with registration rights or other similar rights granted by the Corporation to have any securities of the Corporation registered or qualified for distribution pursuant to any Securities Legislation.
- 9.15 The Financial Statements of the Corporation contained in the Prospectus, including the notes thereto, 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 International Financial Reporting Standards applied on a consistent basis, and there has not been any material change in such position from the date of such Financial Statements.
- 9.16 There is no action, proceeding or investigation (whether or not purportedly on behalf of or against the Corporation) existing, pending or, to the knowledge of the Corporation and its directors or officers, threatened against or affecting the Corporation, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation the Commissions, the Exchange, or any other securities commission, stock exchange or similar regulatory authority.
- 9.17 The Corporation is not in default or breach of, and the execution and delivery of this Agreement and all other material contracts (as disclosed in the Prospectus), the performance and compliance with the terms of this Agreement, the Escrow Agreement and the Warrant Certificate and all other material contracts, and the sale of the Offered Securities by the Corporation does not and will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, or resolutions of the directors or shareholders of the Corporation, or any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party, any judgment, decree, order, statute, rule or regulation applicable to the Corporation and any term or provision or condition (financial or otherwise) applicable to the Corporation.
- 9.18 No securities commission, stock exchange or any comparable authority has issued any order: (i) preventing or suspending trading of any securities of the Corporation, (ii) preventing or suspending the use of the Preliminary Prospectus, the Prospectus or any Prospectus Amendment or (iii) preventing the distribution of the Offered Shares in any Qualifying Jurisdictions and, in each case, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened, and the Corporation is not in default of any requirement of Securities Legislation or the applicable securities laws of any other Qualifying Jurisdictions that would have a Material Adverse Effect on the transactions contemplated by this Agreement or the Offering.

- 9.19 None of its directors or officers, is 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 or of a company listed on a particular stock exchange.
- 9.20 No insider (as such term is defined in the Securities Legislation) of the Corporation has a present intention to sell any securities of the Corporation held by it.
- 9.21 Except as provided herein and as referred to 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 this Agreement or any of the transactions contemplated hereunder.
- 9.22 Aside from Johannes J. Kingma as disclosed in the Prospectus, none of the directors or senior officers of the Corporation, any holder of more than ten (10%) percent of its outstanding Common Shares, any Promoters of the Corporation, or any Associates or Affiliates of any of the foregoing persons or companies (as "**Promoters**", "**Associates**" or "**Affiliates**" are defined in the Securities Legislation) has had any material interest, direct or indirect, in any material transaction within the three (3) years prior to the date of the Preliminary Prospectus, has any material interest, direct or indirect, in any material transaction which, as the case may be, materially affects, is material to or will materially affect the Corporation, except as stated in the Prospectus, in which are fully set forth all relevant particulars required by the Securities Legislation.
- 9.23 The Corporation has all requisite corporate power, capacity and authority to enter into and deliver this Agreement and to perform its obligations hereunder (including, but not limited to, the execution and delivery of the Preliminary Prospectus, the Prospectus and any Prospectus Amendments and the filing of each of them with the Securities Commissions in accordance with this Agreement), and this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms.
- 9.24 Upon issuance of the Offered Securities and Agent's Warrants pursuant to the terms of this Agreement, the Offered Securities and Agent's Warrants, respectively, shall have been duly allotted and will be outstanding as fully paid and non-assessable Common Shares or Agent's Warrants, as applicable, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation.
- 9.25 TSX Trust, at its principal office in the City of Calgary, has been appointed transfer agent and registrar for the Common Shares.
- 9.26 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 the Corporation is not currently prohibited, directly or indirectly, from paying any dividends, from making any other distribution on its capital stock, or other securities, except as limited by Applicable Laws.
- 9.27 Application has been made to list the Offered Securities including the Common Shares issuance upon exercise of the Agent's Warrants on the Exchange and conditional approval of such application has been obtained from the Exchange.
- 9.28 Other than the approval of the Exchange, no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required to be obtained or made by the Corporation in connection with the execution and delivery of this

Agreement or the performance by the Corporation of its obligations hereunder, or with the consummation of the transactions contemplated by this Agreement except as has been obtained or made and are in full force and effect or as required by Securities Legislation with regard to the distribution of the Offered Securities, if any, in the Qualifying Jurisdictions.

- 9.29 The net proceeds received by the Corporation from the sale of the Offered Securities will be applied for the specific purposes more particularly set forth under "Use of Proceeds" in the Prospectus.
- 9.30 No officer, director, employee or any other person not dealing at arm's length with the Corporation or any associate or affiliate of any such person, owns, has or is entitled to any ownership interest, net profits, carried interest or any other encumbrances or claim of any nature whatsoever on the assets of the Corporation.
- 9.31 Other than as is disclosed in the Prospectus, the Corporation does not have any loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with it.
- 9.32 No director or officer, former director or officer, or shareholder or employee of, or any other person not dealing at arm's length with the Corporation will continue after the Closing to be engaged in any transaction or arrangement with or to be a party to a contract with, or has any indebtedness, liability or obligation to, the Corporation, except for employment or consulting arrangements with employees or consultants or those serving as a director or officer of the Corporation as described in the Prospectus and for indemnity agreements to which the Corporation and current or former officers or directors are party, copies of which have been previously provided to the Agent's legal counsel.
- 9.33 No officer, director, employee of or consultant to the Corporation is subject to any limitations or restrictions on their activities or investments, including any non-competition provisions, that would in any way limit or restrict their involvement with the Corporation or the business and affairs, including the Proposed Business, of the Corporation as presently contemplated.
- 9.34 Other than as is disclosed in the Prospectus, the Corporation is not a party to any contracts of employment which may not be terminated on one month or less notice or which provide for payments occurring on the change of control of the Corporation.
- 9.35 The Corporation has duly and on a timely basis, on or prior to the date hereof, filed all tax returns required to be filed by it and all such tax returns are complete and accurate in all material respects; has paid all taxes due and payable by it and has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by it and which are claimed by any Governmental Authority to be due and owing and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by it; there is no tax deficiency which has been asserted against the Corporation; all material tax liabilities of the Corporation are adequately provided for in accordance with International Financial Reporting Standards within the Financial Statements for all periods up to the date of the Financial Statements; and there are no actions, suits, proceedings, investigations or claims existing or, to the Corporation's knowledge, threatened or pending against it in respect of any taxes, governmental charges or assessments or any other matters under

discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority.

- 9.36 The Responses are true and correct in all material respects where they relate to matters of fact, and such responses shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Corporation and its officers have responded in as thorough and complete fashion as possible. Where the Responses reflect the opinion or view of the Corporation or its officers (including, as regards to the Responses or portions of such Responses, which are forward-looking or otherwise relate to projections, forecasts or estimates of future performance or results, operating, financial or otherwise ("**Forward-looking Statements**"), such opinions or views are subject to the qualifications and provisos set forth in the Responses and were honestly held and believed to be reasonable at the time they were given; provided, however, it shall not constitute a breach of this Section 9.36 solely if the actual results vary or differ from those contained in Forward-looking Statements.
- 9.37 Other than this Agreement, the Corporation is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with its by-laws and indemnity agreements entered into among the Corporation and its directors and officers) or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person.
- 9.38 The properties and assets of the Corporation are free and clear of all mortgages, pledges, liens, charges and encumbrances, and the Corporation has not done any act or suffered or permitted any action to be done whereby any person has acquired or may acquire an interest in or to the material properties and assets of the Corporation.
- 9.39 No proposed acquisition by the Corporation has progressed to a state where a reasonable person would believe that the likelihood of the Corporation completing the acquisition is high and that, if completed by the Corporation at the date of the Prospectus, would be a significant acquisition for the purposes of Securities Legislation, in each case, that would require the prescribed disclosure in the Prospectus pursuant to Securities Legislation.
- 9.40 The Corporation has all assets, properties, goods and other items necessary to conduct the Proposed Business.
- 9.41 Except as disclosed in the Preliminary Prospectus and Prospectus under "*Narrative Description Of The Business*", the Corporation has all licenses, permits, authorizations and approvals required to perform the Proposed Business, as described in the Prospectus and no authorization, approval or consent of any Governmental Authority is required to be obtained by the Corporation in connection with conducting and performing the Proposed Business.
- 9.42 Based upon representations made by MNP LLP to the Corporation, MNP LLP is independent with respect to the Corporation within the meaning of the rules of professional conduct applicable to auditors in the Province of Alberta; and there has not been any reportable event (within the meaning of NI 51-102) with such firm or any other prior auditor of the Corporation.
- 9.43 The Corporation is not in default or breach of any agreement and no event has occurred which, with notice or lapse of time or both, would constitute such a default or breach.

- 9.44 The Corporation does not have knowledge of any applicable law or regulation or governmental position, or any announced, pending or contemplated change thereto or any announced, pending or contemplated new law or regulation or governmental position (including without limitation any law, regulation or governmental position regarding the Proposed Business) that, in any of these cases, would have a Material Adverse Effect;
- 9.45 Immediately following Closing, the Corporation will be insured by insurers who are, to the knowledge of the Corporation, of recognized financial responsibility, against such losses and risks in such amounts that are appropriate to the operations, properties and assets of the Corporation as they will exist on the Closing Date, taking the Proposed Business into account, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets; all policies of insurance and fidelity or surety bonds insuring the Corporation, and its business, assets, employees, officers and directors are in full force and effect; the Corporation is in compliance with the terms of such policies and instruments in all material respects, including but not limited to the payment of premiums thereunder, there are no claims by the Corporation under any such policies or instruments as to which any insurance company is denying liabilities or defending under a reservation of rights clause; and the Corporation has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business.
- 9.46 The books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices that are customary in the business in which the Corporation is engaged.
- 9.47 The minute books and corporate records of the Corporation made available in connection with the Agent's due diligence investigations are true and complete copies thereof and contain copies of all material proceedings of the shareholders, the Board of Directors, all committees of the Board of Directors of each that have been minuted or resolved, as applicable, and there have been no other meetings, resolutions or proceedings of the shareholders, Boards of Directors or any committee thereof, other than meetings, resolutions or proceedings of the Board of Directors or committees thereof for which the minutes are in draft form (copies of the drafts of which have been provided to counsel for the Agent), to the date of review of such minute books and corporate records.
- 9.48 Neither the Corporation nor any director, officer, agent or employee of the Corporation nor, to the knowledge of the Corporation, any other person acting on behalf of the Corporation has, in order to obtain or retain an advantage in the course of business, directly or indirectly, made or authorized any contribution, payment or promise to make payment of any money, gift, loan, reward, advantage or benefit of any kind (collectively a "**Benefit**") to:
- (a) any employee, official or agent of any governmental or regulatory agency, authority or instrumentality;
 - (b) any person who holds a legislative, administrative or judicial position with any governmental or regulatory agency, authority or instrumentality;
 - (c) any employee, director or officer of a (a) wholly or partially (20% or greater) state owned or state controlled corporation or other body or (b) corporation or other body that is established to perform a duty or function on behalf of a state or is performing such a duty or function;

- (d) any member of a political party or candidate for public office; or
 - (e) any employee, official or agent of a public international organization,
- ((a) through (e) each being a "**Public Official**");

to: (a) influence an act or omission of a Public Official in connection with the performance of his or her duties or functions; (b) induce a Public Official to influence any act or decision of the State or public international organization for which the Public Official performs duties or functions; or (c) where the Benefit would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada), *Criminal Code* (Canada), the *Proceeds of Crime* (Money Laundering) and *Terrorist Financing Act* (Canada) or the rules and regulations promulgated under any such legislation or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation ("**Applicable Anti-Corruption Legislation**").

- 9.49 The Corporation warrants that it will not, in order to obtain or retain an advantage in the course of business, directly or indirectly, authorize, offer or provide any Benefit to a Public Official in order to: (a) influence an act or omission of the Public Official in connection with the performance of his or her duties or functions; or (b) induce the Public Official to influence any act or decision of the state or public international organization for which that Public Official performs duties or functions, nor will the Corporation do anything directly or indirectly or allow, authorize or acquiesce to anything being done on its behalf that is contrary to Applicable Anti-Corruption Legislation, as the same may be amended from time to time. The Corporation further warrants that it will take all measures that would be commercially reasonable for a Canadian publicly traded company of a similar size with a robust compliance program and operations in countries with significant perception of corruption to ensure that any contractors or consultants representing or acting on behalf of the Corporation strictly adhere to Applicable Anti-Corruption Legislation, as the same may be amended from time to time.
- 9.50 All statements, facts, data, information and materials provided from time to time by the Corporation in writing to the Agent relating to the Corporation, 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.
- 9.51 The Corporation has advised the directors and officers of the Corporation about:
- (a) the nature and scope of their responsibilities and duties as directors and officers, respectively, of a public corporation listed on the Exchange; and
 - (b) 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.

10. COVENANTS OF THE CORPORATION AND CONDITIONS OF CLOSING

The Corporation covenants and agrees with the Agent and undertakes that:

- 10.1 Now and at all times subsequent hereto during the distribution of the Offered Shares to the public 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 Securities and Agent's Warrants, and to the distribution of the Offered 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.

- 10.2 The Corporation shall promptly inform the Agent in writing during the period of the distribution of the Offered Shares to the public or such longer period of time, if any, during which the Prospectus continues to be current, of full particulars of any material change (actual, anticipated or threatened):
- (a) in any material fact contained or referred to in the Prospectus, or any amendment thereto, which is, or may be, of such a nature as to make any such fact untrue, false or misleading at the time and in light of the circumstances under which it was made;
 - (b) in any statements, facts, data, personal information form or materials provided to the Agent with respect to the directors and officers of the Corporation; or
 - (c) in any of the representations and warranties contained in Section 9 of this Agreement.

The Corporation shall file under the Securities Legislation, as soon as reasonably possible, and in any event within any statutory limitation therefor, such new or correcting information, amendments and other documents as the Securities Legislation 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. The terms "material change" and "material fact" shall have the meanings ascribed thereto by the Securities Legislation.

- 10.3 During the period of distribution to the public of the Offered Shares or such longer period of time, if any, while the Prospectus continues to be current, the Corporation will advise the Agent promptly of any request of the Commissions or Exchange for amendment of the Prospectus or for any additional information, of the issuance by the Commissions, Exchange or any other securities commission, stock exchange or similar regulatory authority, of any cease trading order, halt order or similar order relating to the Offered Shares or the use of the Prospectus, or of the institution or threat of institution of any proceedings for that purpose or of the receipt by the Corporation of any communication from the Commissions, Exchange or any other securities commission, stock exchange or similar regulatory authority relating to the Prospectus or the offering of the Offered Shares. The Corporation will use its best efforts to prevent the issuance of any such cease trading order or halt order and, if issued, to obtain the withdrawal thereof as soon as possible.
- 10.4 The Corporation shall deliver to the Agent at the Closing, an opinion to the Agent from counsel of the Corporation, containing opinions that are substantially in the form of the opinions attached hereto as Schedule "A".
- 10.5 The Corporation shall deliver to the Agent at the Closing a certificate signed by both the President and Chief Financial Officer of the Corporation, or such other director or officer of the Corporation as the Agent may accept, dated as of such date addressed to the Agent to the effect that:
- (a) the representations and warranties of the Corporation contained in this Agreement are true and correct, in all material respects, as at the Closing Date with the same force and

effect as if made at and as at the Closing Date after giving effect to the transactions contemplated hereby;

- (b) the Corporation has duly complied with all covenants and satisfied all the conditions herein on its part to be performed or satisfied at or prior to the Closing Date;
- (c) no order suspending the sale or ceasing the trading of the Offered Securities 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, contemplated or threatened by the Securities Commissions, Exchange, or any other securities commission, stock exchange and similar regulatory authority;
- (d) such officers 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 liabilities or obligations (absolute, accrued, contingent or otherwise); there has been no material change in the assets, financial position, business or results of operations of the Corporation; and, to the best of the knowledge and information of such officers, there has occurred no event and no state or fact exists that, under Securities Legislation, is required to be set forth in an amended Prospectus that has not been so set forth.

10.6 The Corporation shall deliver to the Agent at the Closing such other documents and certificates that the Agent may reasonably require.

10.7 As soon as possible after the Closing, 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, to allow for the listing and posting for trading of the Offered Securities on the Exchange.

10.8 It is understood that the Agent may waive, in whole or in part, non-compliance with any of the conditions or other matters contained herein or extend the time for compliance therewith without prejudice to its rights in respect of any other condition or conditions or any other subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if it is in writing.

10.9 The Closing shall occur at the Time of Closing on the Closing Date at the offices of legal counsel of the Corporation, or such other location as may be agreed to between the Corporation and the Agent.

11. **EXPENSES**

11.1 Whether or not the transactions contemplated herein shall be completed, all costs and expenses of or incidental to the creation, issue, sale or distribution of the Offered Shares and Agent's Warrants shall be borne by the Corporation, including, without limitation, all costs and expenses of or incidental to the Offering, the fees and expenses of the Corporation's counsel, agent counsel retained by the Corporation's counsel, the Corporation's auditors, the engraving or litho-graphing of the definitive certificates representing the Offered Securities and Agent's Warrants, the fees and expenses payable to the Exchange and the Commissions, the fees and disbursements of qualifying the offering of the Offered Shares for sale to the public under the Securities Legislation, the preparation and printing of the Preliminary Prospectus and the Prospectus and the reasonable out-of-pocket expenses of, or incidental to, the Offering incurred by the Agent,

including: (i) travel expenses; (ii) other third party expenses; and (iii) legal fees of the Agent's counsel plus applicable expenses, disbursements and GST and all other costs and expenses relating to the transactions contemplated herein.

12. INDEMNIFICATION OF AGENT

12.1 The Corporation hereby covenants and agrees to protect and indemnify the Agent, its directors, officers, shareholders, partners and employees and any other registrants retained by the Agent as subagents pursuant to Section 2.2 hereof and their respective directors, officers, partners and employees (collectively the "**Indemnified Persons**"), from and against all actual or threatened claims, actions, suits, investigations and proceedings (collectively the "**Proceedings**") and all losses, claims, damages, liabilities, costs or expenses (except loss of profits) (collectively "**Liabilities**") caused or incurred by reason of or resulting directly or indirectly from:

- (a) any Misrepresentation or alleged Misrepresentation contained in the Preliminary Prospectus or in the Prospectus, or in any supplemental, additional or ancillary material, information, evidence, return, report, application, statement, table or document that may be filed by or on behalf of the Corporation under the Securities Legislation, or in any written or oral representation made by the Corporation to a Subscriber, 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 Preliminary Prospectus and the Prospectus;
- (b) any order, inquiry or investigation related to the offering of the Offered Securities arising out of any statement contained in the Prospectus, or in any written or oral representation made by the Corporation to a Subscriber, and brought by a Commission, the Exchange or any other securities commission, stock exchange or similar regulatory authority, except such orders, inquiries and investigations relating solely to the Indemnified Persons or any one of them;
- (c) any breach of the representations, warranties and covenants of the Corporation contained herein;
- (d) any prohibition or restriction of trading in the Offered Securities or any prohibition affecting the distribution of the Offered Securities, Agent's Warrants or Common Shares issuable upon exercise of the Agent's Warrants, which may be ordered by any one or more competent authorities if such prohibition or restriction of trading is based on any Misrepresentation in the Preliminary Prospectus or Prospectus, or in any written or oral representations made by the Corporation to a Subscriber, 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 Preliminary Prospectus and the Prospectus;
- (e) any Subscriber effectively rescinding its subscription for the Offered 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 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; and

- (f) the Prospectus failing to comply with the requirements of the Securities Legislation so as to permit the lawful sale of Offered Securities or by reason of the Corporation having failed to take or cause to be taken such steps or proceedings as were necessary to permit the lawful sale of Offered Securities as contemplated by the Prospectus and this Agreement.

12.2 If any matter or thing contemplated by this Section 12 shall be asserted against any Indemnified Persons, the Agent shall notify the Corporation as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit or proceeding brought to enforce such claim; provided however, that the defence shall be through legal counsel acceptable to the Indemnified Person, acting reasonably, and that no settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other. If the Corporation assumes the defence of any such suit, each of the Indemnified Persons shall continue to have the right to employ their own counsel, who shall be acceptable to the Corporation, in any proceeding relating to the claim contemplated by this Section 12 and the reasonable fees and expenses of such counsel shall be recoverable by the Indemnified Persons from the Corporation:

- (a) the Indemnified Persons have been advised by such counsel that there may be legal defences available to them which are different from or additional to defences available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on their behalf);
- (b) the Corporation shall not have undertaken the defence of such proceedings and employed counsel within ten (10) days after notice of commencement of such proceedings; or
- (c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding.

12.3 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 policy grounds or otherwise, each of the Corporation and the Indemnified Persons 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 the Indemnified Persons on the other hand from the Offering; or
- (b) if the allocation provided by subsection (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 (a) above, but also to reflect the relative fault of the Indemnified Persons, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such Liabilities, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Indemnified Persons, 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

received by the Agent. In the case of liability arising out of the Prospectus, the relative fault of the Corporation, on the one hand, and of the Indemnified Persons, on the other hand, shall be determined by reference, among other things, to whether the statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 9.1 which resulted in such Liabilities 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, the Corporation or the Indemnified Persons, and the parties relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 12.1.

The amount paid or payable to an Indemnified Person as a result of any Proceedings or Liabilities shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such Proceedings or Liabilities, whether or not resulting in any formal action, suit, proceeding or claim.

The Corporation and 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 the immediately preceding paragraphs of this Section 12.3. Any liability of the Indemnified Persons under this Section 12.3 shall be limited to the amount of the fees payable to the Agent pursuant to Section 2.5 hereof.

- 12.4 The rights to indemnify and right of contribution provided in the foregoing Sections shall be in addition to and not in derogation of any other right to contribution which the Indemnified Persons may have by any statute or otherwise at law or in equity. The Corporation waives all rights of contribution that it may have against any Indemnified Persons relating to any Liability or Proceeding in respect of which the Corporation has agreed to indemnify the Indemnified Persons hereunder.
- 12.5 It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of Section 12.1 to 12.4, inclusive, and the Agent shall be entitled, as trustee to enforce such covenants on behalf of any other Indemnified Persons.
- 12.6 If any Proceeding is brought in connection with the transactions contemplated by this Agreement and the Agent is required to testify in connection therewith or is required to respond to procedures designed to discover information relating thereto, it will have the right to employ its own counsel in connection therewith, and the fees and disbursements of such counsel in connection therewith and any other reasonable costs and out-of-pocket expenses incurred by them in connection therewith as well as its reasonable fees at the normal per diem rate for the Agent's directors, officers, employees and Agent involved in preparation for and attendance at such Proceedings or in so responding will be paid by the Corporation as they are incurred, provided that the Corporation shall not be liable to pay any such fees, costs or expenses if the Proceedings is brought solely in relation to activities or alleged activities of the Agent or its subagents retained pursuant to Section 2.2 hereof.
- 12.7 The obligations under the indemnity and right of contribution provided for 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.

13. **ADDITIONAL CONDITIONS**

13.1 If at any time after the execution hereof but prior to the Time of Closing:

- (a) there shall have occurred any material change (as that term is defined pursuant to Securities Legislation) which, in the Agent's opinion, materially impairs the investment quality or marketability of the Offered Securities;
- (b) there shall develop, occur or come into effect any event of any nature whatsoever or disclosure of any such event which, in the Agent's opinion, has had or will have a material adverse effect upon the state of financial markets in Canada such that the offering of the Offered Securities should be withdrawn;
- (c) if the Prospectus or any Prospectus Amendment discloses information which, in the Agent's opinion, results at any time prior to the Time of Closing in the Subscribers of a material amount of the Offered Shares exercising their rights under the Securities Legislation to withdraw from or rescind their purchase thereof;
- (d) an order to cease or halt trading in the 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;
- (e) there is any breach or non-performance of any of the covenants, representations and warranties of the Corporation contained in this Agreement that has not been rectified or remedied;
- (f) any inquiry or investigation in relation to the Corporation or the Corporation's directors, officers or insiders (as "**insiders**" is defined in Securities Legislation) is commenced or threatened by the Commissions, Exchange or any other securities commission, stock exchange or other regulatory authority having jurisdiction over the Corporation;
- (g) there is any breach or non-performance by the Corporation of any provisions of any order of the Commissions or the Exchange;
- (h) there is any amendment to Securities Legislation which will, in the Agent's opinion, increase the costs and expenses incurred or to be incurred by the Agent in connection with the offering of Offered Shares, or impose any limitations or restrictions on the exercise of the Agent's Warrants or on the subsequent trading of the underlying Common Shares acquired, or which may be acquired, by the Agent pursuant to the exercise of the Agent's Warrants; or
- (i) the Agent is not satisfied, in its sole discretion, with the results of its due diligence review contemplated in Section 5 hereof.

The Agent shall be entitled, at its option, to terminate and cancel its obligations under this Agreement with no liability on the Agent's part, by written notice to that effect given to the Corporation not later than the Time of Closing. In the event of any such termination pursuant to the provisions of this Section 13, the Corporation's obligations under this Agreement shall be at an end save and except that the Corporation shall be liable to make payment of such of the costs and expenses provided for in Sections 2 and 11 to be payable by the Corporation, as shall

previously have been incurred by the Agent and the indemnities contained in Section 12 shall remain in full force and effect.

14. **NOTICE**

14.1 Any notice under this Agreement shall be given in writing, delivered by registered mail and sent by email to the party to receive such notice at the address indicated below, or at such other address as any party may hereafter designate by notice in writing to each of the others:

(a) to the Corporation at: Asia Cannabis Corp.
Suite 730, 1015 - 4th Street SW
Calgary, Alberta T2R 1J4

Attention: Johannes Kingma
Email: kingma.johannes@gmail.com

with a copy to: Heighington Law
730, 1015 - 4th Street SW
Calgary, Alberta T2R 1J4

Attention: David Heighington
Email: david@hlf.ca

(b) to the Agent at: Emerging Equities Inc.
Suite 269, 255 - 5 Avenue SW
Calgary, Alberta T2P 3G6

Attention: Al Leeson
Email: aleeson@emergingequities.ca

with a copy to: Burnet, Duckworth & Palmer LLP
Suite 2400, 525 8 Avenue SW
Calgary, Alberta T2P 1G1

Attention: Jay Reid
Email: jpr@bdplaw.com

A notice sent under this Agreement, if personally delivered prior to 4:00 p.m. (Calgary time) on a Business Day, shall be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is personally delivered.

15. **MISCELLANEOUS**

15.1 Time shall be of the essence of this Agreement.

15.2 All warranties, representations, covenants and agreements of the Corporation herein contained or contained in certificates or documents submitted pursuant to or in connection with the transaction provided for herein shall continue in full force and effect for the benefit of the Agent regardless of any investigation by or on behalf of the Agent with respect thereto.

- 15.3 This Agreement shall be construed and enforced in accordance with and the rights of the parties hereto shall be governed by the laws of the Province of Alberta. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta.
- 15.4 This Agreement supersedes all other agreements, documents, letters, writings and oral understandings among the parties relating to the subject matter hereof, including without limitation the engagement letter dated January 20, 2018, and represents the entire agreement between the parties with respect to the subject matter hereof.
- 15.5 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.
- 15.6 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and all such counterparts together shall constitute one and the same agreement. The parties hereto shall be entitled to rely on delivery of a facsimile copy of the executed counterpart.
- 15.7 All the terms and provisions of this Agreement shall be binding upon and enure to the benefit of and be enforceable by the parties hereto, their respective successors and assigns, but shall not be assignable without the prior written consent of the other parties hereto.
- 15.8 The parties hereto have required that this Agreement, as well as any notice, document or proceeding relating hereto be written in English. Les parties aux présentes ont exigé que le présent contrat ainsi que tout autre avis, document ou procédure s'y rapportant soit rédigé en anglais.

[the remainder of the page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement, the day and year first above written.

ASIA CANNABIS CORP.

Per: (SIGNED) "Johannes J. Kingma"
Name: Johannes J. Kingma
Title: President

Per: (SIGNED) "David E. T. Pinkman"
Name: David E. T. Pinkman
Title: Director

EMERGING EQUITIES INC.

Per: (SIGNED) "James B. Hartwell"
Name: James B. Hartwell
Title: President & CEO

Per: _____
Name:
Title:

SCHEDULE "A"

To an Agreement dated ●, 2018 between Asia Cannabis Corp. (the
"Corporation") and Emerging Equities Inc. (the "Agent")

_____, 2018

Emerging Equities Inc.
Suite 269, 255 - 5 Avenue SW
Calgary, Alberta T2P 3G6

Attention: Mr. Al Leeson

Re: Offering of 5,000,000 Offered Shares of Asia Cannabis Corp.

We have acted as counsel to Asia Cannabis Corp. (the "**Corporation**") in connection with the issuance and qualification for offering and sale to the public by the Corporation of an aggregate 5,000,000 common shares (the "**Offered Shares**") in the capital of the Corporation at a price of \$0.25 per Offered Share (the "**Offering**"). We also understand that the Offered Shares are being issued and sold pursuant to the terms and subject to the conditions of an agreement (the "**Agency Agreement**") dated ●, 2018 between Emerging Equities Inc. (the "**Agent**") and the Corporation to subscribers (the "**Subscribers**") resident in each of the Provinces of Alberta, British Columbia and Ontario (collectively, the "**Offering Jurisdictions**"). This opinion is being delivered pursuant to the Agency Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Agency Agreement.

We have participated in the preparation of and have reviewed: (i) the Agency Agreement; (ii) a certificate dated ●, 2018 between the Corporation and the Agent (the "**Agent's Warrant Certificate**"); (iii) the escrow agreement, dated as of ●, 2018 among the Corporation, TSX Trust Company and certain securityholders of the Corporation (the "**Escrow Agreement**"); (iv) the preliminary prospectus of the Corporation dated May 17, 2018 (the "**Preliminary Prospectus**"); (v) the amended and restated preliminary prospectus of the Corporation dated August 15, 2018 (the "**Amended Prospectus**") and (vi) the (final) prospectus of the Corporation dated ●, 2018 (the "**Prospectus**") (the Preliminary Prospectus, Amended Prospectus and the Prospectus are collectively referred to herein as the "**Prospectuses**"). We have also reviewed and relied upon the receipts under Multilateral Instrument 11-102 *Passport System* and National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* issued by the Alberta Securities Commission, as principal regulator, and for and on behalf of itself and the securities regulatory authority in the other Offering Jurisdiction for the Preliminary Prospectus, Amended Prospectus and Prospectus dated May 17, 2018, August 15, 2018 and ●, 2018 in respect of the Preliminary Prospectus and the Prospectus, respectively, copies of which have been delivered to you today (the "**Receipts**").

We have examined such documents and have considered such questions of law as we have considered relevant and necessary as a basis for the opinions hereinafter set forth. As to various questions of fact material to such opinions and which were not independently established, we have relied upon certificates of public officials and an officer of the Corporation, copies of which have been delivered to you today, and on the minute books of the Corporation. In such examination we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and the conformity to authentic originals of all documents submitted to us as certified, notarial or true copies or facsimiles.

For the purposes of the opinions expressed in paragraph 1, we have relied upon a Certificate of Status dated ●, 2018 electronically retrieved from the official records of the Corporate Registry as maintained by the Registrar of Corporations under the *Business Corporations Act* (Alberta).

For the purpose of the opinion expressed in paragraphs 1 and 3 in connection with certain factual matters, we have relied, in part, upon a certificate of an officer of the Corporation (the "**Officer's Certificate**"), a copy of which has been provided to you today.

The opinions set forth in paragraph 10 are based upon the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**"), all specific proposed amendments thereto detailed in public statements issued by the Minister of Finance prior to the date hereof and our understanding of the published administrative and assessing practices of the Canada Revenue Agency publicly available as of the date hereof. Our opinions do not otherwise anticipate or take into account any changes in law or in such administrative policies and assessing practices whether by legislative, governmental or other action.

For the purpose of the opinions expressed in paragraph 12, we have relied exclusively upon a letter from the Canadian Securities Exchange ("**Exchange**") dated ●, 2018.

In expressing the opinion set forth in paragraph 13 with respect to the number of issued and outstanding common shares ("**Common Shares**") of the Corporation, we have relied solely upon a certificate dated ●, 2018 addressed to us by TSX Trust Company (in its capacity as registrar and transfer agent of the Common Shares), a copy of which has been delivered to you today and which we have assumed continues to be accurate on the date hereof.

For the purposes of the opinion contained in paragraph 7, we have relied on the Receipts. Also, for the purposes of the opinion contained in paragraph 7, we have assumed that each of the Preliminary Prospectus, Amended Prospectus and the Prospectus contained full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares being offered thereunder as at the respective dates thereof and no "material change" (as that term is defined under the laws of the Offering Jurisdictions) has occurred since ●, 2018 requiring an amendment to the Prospectus to be prepared and filed under the laws of the Offering Jurisdictions.

We have also assumed, for the purposes of the opinions expressed herein, that all agreements and other documents have been duly authorized, executed and delivered by all of the parties thereto other than the Corporation and that such agreements and other documents constitute legal, valid and binding obligations of the parties thereto other than the Corporation, enforceable against each of them in accordance with their respective terms.

In expressing the opinion in paragraph 9 below, we assumed that no market intermediary or other person or company engaged in, or holding himself, herself or itself out as engaging in, the business of dealing securities or exchange contracts, will be involved in the issuance of the Offered Shares upon the due exercise of the Agent's Warrants in accordance with the terms of the Agent's Warrant Certificate.

Whenever our opinion refers to securities of the Corporation whether issued or to be issued, as being "fully paid and non-assessable", such opinion indicates that the holder of such securities cannot be required to contribute any further amounts to the Corporation by virtue of its status as holder of such securities, either in order to complete payment for the securities, to satisfy claims of creditors or otherwise. No opinion is expressed as to actual receipt by the Corporation of the consideration for the issuance of such securities or as to the adequacy of any consideration received.

We have also assumed that:

- (a) the Agent, in discharging its duties pursuant to the Agency Agreement and in carrying out all activities by it in connection therewith, is and will be at all relevant times duly registered under the appropriate and relevant category of registration under the securities laws which are applicable to it as of the date hereof and as at such relevant times and have conducted and completed, and at all relevant times will conduct and complete, the elements of the offering for which they are responsible or which they have conducted in compliance with the relevant provisions of the securities laws in each of the Offering Jurisdictions;
- (b) the representations and warranties of the Agent set forth in the Agency Agreement are true, correct and accurate in all material respects now and will be at all other relevant times;
- (c) there is not, at the time of such trades or distributions, a cease trade or other restraining order affecting the Corporation or its securities in effect in any of the Offering Jurisdictions or affecting any person or company who engages in such trade or distributions issued by any court, tribunal, securities commission or other regulatory authority of that jurisdiction; and
- (d) the Corporation is not a "related issuer" (as that term is defined under National Instrument 33-105 – *Underwriting Conflicts* ("**NI 33-105**")) of any registrant involved in a trade of the Common Shares and the Corporation is not a "connected issuer" (as that term is defined under NI 33-105 and Applicable Securities Laws (as defined herein)) of any registrant involved in any trade of the Common Shares.

We are qualified to practice law in the Province of Alberta and our opinion herein is restricted to the laws of the Province of Alberta and the federal laws of Canada applicable therein as at the date hereof. We have provided this opinion concurrently with the opinions of local counsel in each of the Offering Jurisdictions, other than the Province of Alberta, (collectively, the "**Local Counsel Opinions**") as to matters governed by the laws of the Offering Jurisdictions, other than Alberta, respectively, which Local Counsel Opinions we are of the view are satisfactory in form and we and you are justified in relying thereon.

In giving the opinions expressed in paragraphs 7 and 8, we have relied on the Local Counsel Opinions with respect to the laws of the Offering Jurisdictions other than the Province of Alberta. To the extent that the Local Counsel Opinions are based upon any assumptions, limitations, reliances, exceptions and qualifications which are not otherwise addressed in this opinion, or are expressed in a form which differs from the form of our opinion expressed herein, our opinion, insofar as it relates to the laws regarding which local counsel have expressed their opinions, is based upon the same assumptions and reliances, is made subject to the same limitations, qualifications or exceptions and is to be considered to be expressed in the form set forth in the Local Counsel Opinions.

For the purposes of this opinion as it relates to the Province of Alberta, the term "Applicable Securities Laws" means the laws set out in the *Securities Act* (Alberta) and the rules and regulations thereunder, and the instruments, orders, published policy statements, forms and notices of the Alberta Securities Commission. For the purposes of this opinion as it relates to Offering Jurisdictions, other than the Province of Alberta, the term "Applicable Securities Laws" has the meaning ascribed to such term in the Local Counsel Opinions on which we have relied.

Whenever our opinion with respect to the existence or absence of facts or circumstances is qualified by the phrase "of which we are aware", it is intended to indicate that during the course of our representation of the Corporation no information has come to our attention, which would give us actual knowledge of the existence of such facts or circumstances. However, other than the review of the Officer's Certificate, the Agent Agreement, the Preliminary Prospectus, the Amended Prospectus, the Prospectus and the minute books of the Corporation and inquiries of the lawyers of our firm who are responsible for the files relating to the Corporation we have not undertaken any special or independent investigation to determine the existence or absence of any facts or circumstances relating to the Corporation. No inference as to our knowledge of such facts and circumstances should be drawn merely from our representation of the Corporation.

Notwithstanding the foregoing and our opinions below, we express no opinion with respect to the compliance or non-compliance with applicable privacy laws in connection with the transactions contemplated by the Prospectus. The opinions hereinafter expressed are based on legislation and regulations in effect on the date hereof.

Based upon the foregoing and subject to the qualifications herein expressed, we are of the opinion that:

1. The Corporation has been duly incorporated and is valid and subsisting under the laws of the Province of Alberta and has all requisite power and capacity to carry on its business as now conducted and as presently proposed to be conducted by it and to own its properties and assets and is duly registered and qualified to carry on business under the laws of each jurisdiction in which it carries on business.
2. The Corporation has all necessary corporate power and authority to enter into the Agency Agreement, Escrow Agreement and Agent's Warrant Certificate and to perform its obligations set out therein, and the Agency Agreement, Escrow Agreement and Agent's Warrant Certificate have been duly authorized, executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, subject to:
 - (a) applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally;
 - (b) equitable remedies, including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court;
 - (c) the statutory and inherent powers of a court to grant relief from forfeiture, to stay execution of proceedings before it and to stay executions on judgments;
 - (d) the applicable laws regarding limitations of actions;
 - (e) the enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court;
 - (f) the enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law; and
 - (g) that rights to indemnity and contribution under the Agency Agreement may be limited or unavailable under applicable law.

3. The execution and delivery of the Agency Agreement, Escrow Agreement and Agent's Warrant Certificate and fulfillment of the terms thereof by the Corporation, and the performance of and compliance with the terms of the Agency Agreement, Escrow Agreement and Agent's Warrant Certificate by the Corporation does not and will not result in a 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, will result in a breach of or constitute a default under:
 - (a) any applicable laws of the Province of Alberta or the federal laws of Canada applicable therein;
 - (b) any term or provision of the constating documents, by-laws, or resolutions of the directors (or any committee thereof), or shareholders of the Corporation;
 - (c) of which we are aware, any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which the Corporation is bound on the date hereof; or
 - (d) of which we are aware, any judgement, decree or order, of any Court, governmental agency or body or regulatory authority having jurisdiction over the Corporation or its respective properties or assets.
4. The form and terms of the definitive certificates representing the Offered Shares and Agent's Warrants have been duly approved and adopted by the directors of the Corporation and complies with all legal requirements relating thereto, including the requirements of the Exchange.
5. The Offered Shares, Over-Allotment Shares (as defined in the Prospectus), Agent's Warrants and the underlying Common Shares issuable on exercise of the Agent's Warrants have been duly and validly created, allotted and reserved for issuance and, in the case of the Offered Shares and Over-Allotment Shares issued pursuant to the Offering, have been issued as fully paid and non-assessable Common Shares, and in the case of the underlying Common Shares issuable on exercise of the Agent's Warrants (in accordance with the terms thereof), will be issued as fully paid and non-assessable Common Shares.
6. The attributes of the Offered Shares, Over-Allotment Shares, Agent's Warrants and the underlying Common Shares issuable on exercise of the Agent's Warrants conform in all material respects with the description thereof contained in the Prospectuses.
7. All necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under Applicable Securities Laws of each of the Offering Jurisdictions in order to qualify the Offered Shares for distribution and sale to the public and to qualify the Over-Allotment Shares and Agent's Warrants, as applicable, for distribution to the Agent in each of the Offering Jurisdictions through any person or company that is duly registered in a category of dealer registration that permits the trade of securities under Applicable Securities Laws and that has complied with the terms and conditions of such registrations and the relevant provisions of Applicable Securities Laws.
8. No filing, proceeding, approval, consent or authorization is required to be made, taken or obtained by the Corporation under Applicable Securities Laws in the Offering Jurisdictions to permit the issuance by the Corporation of the Offered Shares, Over-Allotment Shares and Common Shares issuable pursuant to the Agent's Warrants in accordance with the terms and conditions of the Agent's Warrant Certificate, provided that no commission or other remuneration

is paid or given in respect of the distribution except for administrative or professional services or for services performed by a registered dealer.

9. The first trade by a holder of Offered Shares, Over-Allotment Shares and Common Shares issuable pursuant to the exercise of the Agent's Warrants, will not be subject to the prospectus requirements of Applicable Securities Laws and no filing, proceeding, approval, consent or authorization of regulatory authorities are required to be obtained under the Applicable Securities Laws to permit the first trade of such Offered Shares, Over-Allotment Shares and Common Shares issuable pursuant to the exercise of the Agent's Warrants, by the holder of such Offered Shares, Over-Allotment Shares and Common Shares issuable pursuant to the exercise of the Agent's Warrants, provided that:
 - (a) the trade is not a "control distribution" as such term is defined in National Instrument 45-102 – *Resale of Securities*; and
 - (b) the Corporation is a reporting issuer in a jurisdiction of Canada at the time of the trade.
10. Subject to the assumptions, qualifications, and limitations set out in the Prospectus under the heading "Eligibility for Investment", as at the date hereof the Offered Shares and Over-Allotment Shares are "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plan, deferred profit sharing plans, registered education savings plans and tax-free savings accounts.
11. The Corporation has the necessary corporate power and authority to execute and deliver the Prospectuses and all necessary corporate action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectuses and the filing thereof, as the case may be, in each of the Offering Jurisdictions in accordance with Applicable Securities Laws.
12. The Offered Shares, Over-Allotment Shares and Common Shares issuable pursuant to the Agent's Warrants, have been conditionally approved for listing on the Exchange and, upon notification to the Exchange of the issuance and sale thereof and subject to filing the documentation set forth in their letter of ●, 2018, the Offered Shares, including the Common Shares issuable pursuant to the Agent's Warrants, will be listed and posted for trading on the Exchange.
13. The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which, the Corporation has 31,200,100 Common Shares outstanding, and such Common Shares have been validly issued as fully paid and non-assessable.
14. TSX Trust Company, at its principal offices in Calgary, Alberta, has been duly appointed the transfer agent and registrar for the Common Shares.

This opinion is being furnished for the sole benefit of the addressees hereof for the purposes provided herein and may not be relied upon or distributed to any other person or entity or for any other purpose without our prior written consent. This opinion is given as at the date hereof and we disclaim any obligation or undertaking to advise any person of any change in law or fact which may come to our attention after the date hereof.

Yours truly,

Heighington Law