

AGENCY AGREEMENT

(Capital Pool Company)

MEMORANDUM OF AGREEMENT dated the 29th day of November, 2019.

AMONG:

HOLLY STREET CAPITAL LTD., a corporation incorporated under the laws of British Columbia, with an office in the City of Vancouver, in the Province of British Columbia (the “**Corporation**”)

- and -

ECHELON WEALTH PARTNERS INC., a corporation with an office in the City of Toronto, in the Province of Ontario (the “**Agent**”)

WHEREAS:

- A. The Corporation wishes to raise funds for the purposes described in the Prospectus (as defined herein) by offering for sale the Offered Shares (as defined herein) at the Share Price (as defined herein) (the “**Offering**”);
- B. The Corporation has agreed to file the Prospectus in accordance with the Securities Legislation (as defined herein) in order to qualify the distribution of the Offered Shares, the Broker Options (as defined herein) and the Directors’ and Officers’ Options (as defined herein) in the Offering Jurisdictions (as defined herein); and
- C. The Corporation wishes to retain the Agent, and the Agent is willing to act as agent of the Corporation to solicit subscriptions for the Offered Shares on a commercially reasonable efforts agency basis, subject to the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that for and in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

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) “**Agent’s Commission**” means a cash commission paid to the Agent at the Time of Closing equal to ten (10%) percent of the gross proceeds of the Subscription Funds;
- (b) “**Agreement**” means this agreement, the recitals, the schedules attached hereto and any amendments;
- (c) “**Broker’s Shares**” means the Common Shares issued to the Agent upon exercise of the Broker Options;
- (d) “**Broker Options**” means the option to be granted to the Agent and its designated sub-agents, if any, pursuant to Section 2.5 hereof;

- (e) **“Broker Option Certificate”** means the form of option certificate annexed hereto as Schedule “A”;
- (f) **“Business Day”** means a day other than a Saturday, Sunday or other than a day when banks in the City of Toronto are not generally open for business;
- (g) **“Closing”** means the completion of the transactions contemplated by this Agreement on the Closing Date;
- (h) **“Closing Date”** means the date upon which 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 Commissions, or such other date as the parties hereto may agree and Securities Legislation may allow;
- (i) **“Commissions”** means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission;
- (j) **“Common Share”** or **“Common Shares”** means a common share or the common shares in the share capital of the Corporation;
- (k) **“Corporate Finance Fee”** has the meaning ascribed thereto in Section 2.3;
- (l) **“CPC Policy”** means Policy 2.4 of the Exchange’s Corporate Finance Manual and shall include all orders, policies, rules, instruments, regulations, by-laws and procedures of the Exchange having the force of law which govern offerings by capital pool companies, as amended from time to time;
- (m) **“Directors’ and Officers’ Options”** means the options to be granted to directors and officers of the Corporation immediately following Closing entitling the holders thereof to purchase in aggregate a number of Common Shares equal to ten (10%) percent of the total number of Common Shares issued and outstanding immediately following Closing at a price of \$0.10 per Common Share for a period of ten (10) years from the date of grant;
- (n) **“Exchange”** means the TSX Venture Exchange Inc.;
- (o) **“Misrepresentation”** has the meaning ascribed thereto by the Securities Legislation;
- (p) **“Offered Shares”** means the 2,500,000 Common Shares offered at the Share Price pursuant to the Prospectus;
- (q) **“Offering”** has the meaning ascribed thereto in the Recitals;
- (r) **“Offering Jurisdictions”** means the Provinces of British Columbia, Alberta, and Ontario;
- (s) **“Preliminary Prospectus”** means the preliminary prospectus of the Corporation dated October 9, 2019 and any amendments thereto approved, signed and certified in accordance with the Securities Legislation, qualifying the distribution of the Offered Shares, Broker Options and Directors’ and Officers’ Options and filed with the Commissions;

- (t) “**Prospectus**” means the (final) prospectus of the Corporation and any amendments thereto, approved, signed and certified in accordance with the Securities Legislation, qualifying the distribution of the Offered Shares, Broker Options and Directors’ and Officers’ Options and filed with the Commissions;
- (u) “**Qualifying Transaction**” has the meaning ascribed thereto in Section 6.1(e) hereof;
- (v) “**Securities Legislation**” means the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Ontario), the respective rules and regulations thereto, and the policy statements, rules, notices and blanket orders of the Commissions having the force of law, the national instruments, the multilateral instruments, the national policy statements and uniform act policies applied by the Commissions having the force of law, and the policies and by-laws of the Exchange having the force of law, as amended from time to time;
- (w) “**Share Price**” means \$0.10 per Offered Share;
- (x) “**Subscriber**” or “**Subscribers**” means a person or those persons who subscribe for the Offered Shares through the Agent or through such other registrants retained by the Agent as sub-agents to sell subscriptions in conjunction with the Agent;
- (y) “**Subscription Funds**” means all funds received with respect to all Successful Subscriptions in accordance with the terms and provisions of this Agreement;
- (z) “**Successful Subscription**” means a subscription for Offered Shares by a Subscriber which subscription has been accepted by the Corporation and the Agent;
- (aa) “**Tax Authority**” means the Canada Revenue Agency, Receiver General, Minister of National Revenue and any other governmental body having taxing authority and their respective successors, if any;
- (bb) “**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in written, electronic or other form) and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or are required to be prepared or filed in respect of Taxes;
- (cc) “**Taxes**” includes any taxes, duties, assessments, imposts, fees, duties, withholdings, levies and other charges of any nature imposed by any Tax Authority and includes all interest, penalties, fines, additions to tax or other additional amounts imposed by any Tax Authority including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, withholding, business, property, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervailing and anti-dumping and all employment insurance, health insurance and Canada, provincial and other government pension plan and other employer plan premiums, contributions or withholdings and all other taxes and similar governmental charges of any kind imposed by any governmental body;

(dd) “**Time of Closing**” means 4:00 p.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as the Corporation and the Agent may agree; and

(ee) “**Transfer Agent**” means Olympia 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 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 and conditions hereof, the Corporation hereby appoints the Agent as the sole and exclusive agent of the Corporation 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 the Offering Jurisdictions pursuant to the 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 sub-agents to solicit subscriptions for the Offered Shares at no additional cost to the Corporation and any compensation paid or payable to such sub-agents 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 sub-agents.

2.3 The Corporation will pay in consideration for the services to be performed by the Agent hereunder in connection with the Offering, whether or not it is completed, a corporate finance fee of \$10,000 (the “**Corporate Finance Fee**”), and the Agent’s legal fees and all other reasonable out-of-pocket expenses and disbursements. The Agent hereby acknowledges that the Corporation has previously paid to the Agent \$10,000 (plus H.S.T.) in respect of the non-refundable portion of the Corporate Finance Fee and \$10,000 as a retainer against the Agent’s legal fees and all other reasonable out-of-pocket expenses and disbursements. Any additional legal fees and all other reasonable out-of-pocket expenses and disbursements incurred by the Agent exceeding the \$10,000 retainer shall be paid at the Time of Closing by the Agent deducting such amount from the Subscription Funds.

2.4 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 ten (10%) percent of the Subscription Funds (the “**Agent’s Commission**”). The Agent’s Commission shall be paid at the Time of Closing by the Agent deducting such amount from the Subscription Funds.

2.5 The Corporation will grant to the Agent and its designated sub-agents, if any, at the Time of Closing, exercisable for a period of twenty-four (24) months following the date of listing of the Common Shares on the Exchange, an irrevocable, non-transferable option to purchase in aggregate that number of Common Shares as is equal to ten (10%) percent of the number of Offered Shares sold under the Offering at the Share Price (the “**Broker Options**”) on the terms and conditions contained in the form of warrant

certificate annexed hereto as Schedule "A" (the "**Broker Option Certificate**"). The Broker Options shall be qualified under and be distributed pursuant to the Prospectus.

3. SUBSCRIPTIONS

3.1 The Corporation will:

- (a) at such time as Successful Subscriptions for the Offered Shares have been received; or
- (b) at 4:00 p.m. (Toronto time) on the day that is ninety (90) days from the date of the issuance of the receipt for the Prospectus by the 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, or any sub-agent 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. THE SUBSCRIPTION FUNDS

4.1 The Agent will hold until delivered to the Corporation, the Subscription Funds in trust for the Subscribers pursuant to the terms of this Agreement, and Subscription Funds shall be dealt with by the Agent as provided in Sections 4 and 5 hereof.

5. RELEASE OF SUBSCRIPTION FUNDS

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

- (a) a certificate signed by the President of the Corporation or such other officer or director of the Corporation as the Agent may accept, to the effect that the Successful Subscriptions for the Offered Shares have been accepted by the Corporation; and
- (b) a written request from the Corporation requesting the delivery of Subscription Funds to the Corporation or as directed by the Corporation.

5.2 Upon receiving the documentation referred to in Section 5.1 hereof, subject to Section 5.4 hereof, the Agent shall forthwith deliver to the Corporation or as directed in Section 5.1(b) hereof, all Subscription Funds resulting from Successful Subscriptions held by it pursuant to this Agreement, less the amounts to be deducted pursuant to Section 2.3 and Section 2.4 hereof.

5.3 If the Agent has not received the documentation referred to in Section 5.1 hereof at or prior to the Time of Closing, the Agent shall promptly thereafter return to each Subscriber by ordinary mail without interest or deduction the Subscription Funds held for the Subscriber by the Agent, unless such Subscriber has otherwise instructed the Agent.

5.4 If the funds of any Subscriber delivered to the Agent are for any reason rejected (in whole or in part) by the Corporation and the Agent, such rejected funds shall be returned to such Subscriber without interest or deduction in the manner provided in Section 5.3 hereof.

6. OBLIGATIONS OF THE AGENT

6.1 The Agent shall:

- (a) use its commercially reasonable efforts to obtain subscriptions for all of the Offered Shares, and without limiting the generality of the foregoing:
 - (i) 1,000,000 of the Common Shares (or such lesser number as is acceptable to the Exchange) issued and outstanding on the Closing Date, including the Offered Shares, will be in the Public Float (as “**Public Float**” is defined in the Exchange’s Corporate Finance Manual Policy 1.1);
 - (ii) no more than twenty (20%) percent of the issued and outstanding Common Shares (or such greater amount as is acceptable to the Exchange) on the Closing Date, including the Offered Shares, will be owned directly or indirectly by members of the Pro Group (as “**Pro Group**” is defined in the Exchange’s Corporate Finance Manual Policy 1.1), excluding the Broker Options and any other Common Shares reserved for issuance at a further date; and
 - (iii) to obtain subscriptions for the Offered Shares from at least 200 Subscribers (or such lesser number as is acceptable to the Exchange), each of such Subscribers:
 - (1) purchasing at least 1,000 Offered Shares free of Resale Restrictions (as “**Resale Restrictions**” is defined in the Exchange’s Corporate Finance Manual Policy 1.1);
 - (2) individually purchasing, directly or indirectly, no more than two (2%) percent of the Offered Shares, and, in conjunction with such Subscriber’s Associates and Affiliates (as “**Associates**” and “**Affiliates**” are defined in the Exchange’s Corporate Finance Manual Policy 1.1), purchasing no more than four (4%) percent of the Offered Shares; and
 - (3) not being a Non Arm’s Length Party to the Corporation (as “**Non Arm’s Length Party**” is defined in the Exchange’s Corporate Finance Manual Policy 1.1);
- (b) only solicit subscriptions for the Offered Shares from subscribers resident in the Offering Jurisdictions in compliance with Securities Legislation and the terms and conditions set out herein;
- (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 the Offered Shares have been received; or
 - (ii) as prescribed by Securities Legislation;

- (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, including without limiting the generality of the foregoing, to deliver to the Exchange (or, at the option of the Agent, to the Corporation for delivery to the Exchange) as soon as reasonably possible prior to the Closing, a Distribution Summary Statement (Exchange Form 2E) or such other document as may be required by the Exchange, if any; and
- (e) notwithstanding the foregoing, it is understood and agreed by the Corporation that the Agent is under no obligation pursuant to this Agreement to act as Sponsor or to provide a Sponsor Report for a Qualifying Transaction of the Corporation (as “**Sponsor**” and “**Qualifying Transaction**” are defined in the Exchange’s Corporate Finance Manual Policy 1.1 and the CPC Policy, respectively).

7. REPRESENTATIONS AND WARRANTIES OF THE AGENT

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

- 7.1 The Agent is a valid and subsisting corporation duly incorporated, continued or amalgamated and in good standing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated.
- 7.2 The Agent is an investment dealer registered under the Securities Legislation in each of the Offering Jurisdictions.
- 7.3 The Agent is a member in good standing of the Exchange.
- 7.4 Any sub-agent(s) engaged by the Agent in connection with the Offering is/are investment dealer(s) registered under the Securities Legislation in the applicable Offering Jurisdiction(s).
- 7.5 This Agreement has been authorized by all necessary corporate action on the part of the Agent.
- 7.6 The Agent has complied with and will fully comply with the requirements of the Securities Legislation in the Offering Jurisdictions in relation to all matters relating to the Offering.

8. REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

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

- 8.1 The Corporation has been duly incorporated and organized and validly exists in good standing under the laws of its jurisdiction of incorporation and has all the requisite corporate power and capacity to carry on its business as now conducted and as proposed to be conducted as described in the Prospectus and to enter into, carry out the transactions contemplated by, and duly observe and perform all its obligations contained in this Agreement.
- 8.2 The Corporation does not own or have any interest in any asset or property of any kind whatsoever, other than cash, deferred share issuance costs or deposits with financial institutions, and, without limiting the generality of the foregoing, the Corporation does not have an Agreement in Principle (as “**Agreement in Principle**” is defined in the CPC Policy).

8.3 The Corporation has undertaken no business since the date of its incorporation, except as permitted by the CPC Policy and has not negotiated or entered into a transaction of a nature material to the Corporation other than as disclosed in the Prospectus.

8.4 The authorized capital of the Corporation consists of the share capital as disclosed in the Prospectus, and such number of Common Shares are issued and outstanding as is disclosed in the Prospectus and all of the issued and outstanding Common Shares have been duly issued and are fully paid and non-assessable. 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 except as disclosed in this Agreement and in the Prospectus.

8.5 The financial statements of the Corporation contained in the Prospectus, including the notes thereto, fairly present 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 generally accepted accounting principles applied on a consistent basis, and there has not been any material change in such position from the date of such financial statements.

8.6 The information and statements contained in the Preliminary Prospectus and the Prospectus (except any such information and statements relating solely to the Agent) constitute full, true and plain disclosure of all material facts relating to the Corporation and the Preliminary Prospectus and the Prospectus comply in all material respects with the Securities Legislation, including without limitation the CPC Policy.

8.7 The Preliminary Prospectus and the Prospectus do not contain a Misrepresentation (except a Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus and Prospectus).

8.8 The Corporation has complied and will comply fully with the requirements of all applicable laws, including, without limitation, the Securities Legislation in relation to the issue and trading of its securities and all matters relating to the Offering.

8.9 There is no action, proceeding or investigation (whether or not purportedly on behalf of the Corporation) which, to the knowledge of the Corporation and its directors or officers, is pending or 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, which in any way materially adversely affects the Corporation or the condition (financial or otherwise) of the Corporation or which questions the validity of the issuance, as fully paid and non-assessable, of the Offered Shares or any action taken or to be taken by the Corporation pursuant to or in connection with this Agreement.

8.10 The Corporation is not a party to any action, suits or proceedings which could materially affect its business or financial condition, and no such action suits or proceedings are contemplated or have been threatened.

8.11 The Corporation has full corporate capacity, power and authority to execute and deliver the Prospectus and all requisite action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectus.

8.12 The Corporation has full corporate capacity, power and authority to execute this Agreement, the escrow agreement referred to in the Prospectus (the “**Escrow Agreement**”) and the Broker Option Certificate and to perform its obligations set out herein and therein, including, without limitation, to issue the Offered Shares and the Broker’s Shares (upon due exercise of the Broker Options), and to carry out the transactions contemplated hereby and by the Prospectus, and this Agreement, the Escrow Agreement and the Broker Option Certificate will be, on the Closing Date, duly authorized, executed and delivered by the Corporation and this Agreement and the Escrow Agreement are and the Broker Option Certificate will on the Closing Date be, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally, and except as limited by the application of equitable principals when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by applicable law.

8.13 The Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement, the Escrow Agreement and the Broker Option Certificate by the Corporation or any of the transactions contemplated hereby or thereby, do not and will not result in any breach of, or constitute a default under, or do not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any term or provision of the articles, by-laws or resolutions of the shareholders or directors of the Corporation, or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound, or to its knowledge any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation or its properties or assets, or would impair the ability of the Corporation to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in this Agreement, the Escrow Agreement and the Broker Option Certificate.

8.14 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, except as provided herein and as referred to in the Prospectus.

8.15 To the knowledge of management of the Corporation and except for the Escrow Agreement, neither the Corporation nor any of its shareholders is a party to any voting trust, securities pooling agreement or similar type of arrangement or agreement in force in respect of any of the securities of the Corporation.

8.16 To the knowledge of management of the Corporation, none of the directors or senior officers of the Corporation, any holder of more than ten (10%) percent of its issued and 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):

- (a) has had any material interest, direct or indirect, in any material transaction within the three years prior to the date of the Preliminary Prospectus; or
- (b) 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.

8.17 Upon issuance of the Offered Shares pursuant to the terms of this Agreement, the Offered Shares shall have been duly allotted and will be outstanding as fully paid and non-assessable Common Shares.

8.18 Upon their issuance, the Broker's Shares that may be issued upon the due exercise (including payment of the exercise price per Broker's Share) of the Broker's Options will be validly issued as fully paid and non-assessable Common Shares.

8.19 Except as disclosed in the Prospectus:

- (a) none of the directors or officers of the Corporation are indebted or under obligation to the Corporation on any account whatsoever; and
- (b) the Corporation has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation of any kind whatsoever.

8.20 The copy of the minute books of the Corporation, as provided to Agent's counsel on September 17, 2019, is true, complete and correct in all material respects and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof.

8.21 The Transfer Agent, at its principal office in the City of Vancouver, has been duly appointed transfer agent and registrar for the Common Shares of the Corporation.

8.22 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, subject to the rules, policies and regulations of the Exchange, and the restrictions on the declaration and payment of dividends by the Corporation as disclosed in the Prospectus, there is not, in the constating documents or by-laws of the Corporation or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of its Common Shares.

8.23 The Corporation requires the signature of two (2) authorized persons on any cheques issued by the Corporation.

8.24 Application has been made to list the outstanding Common Shares of the Corporation, including without limitation the Offered Shares and the Common Shares issuable upon exercise of the Broker's Options and the Directors' and Officers' Options on the Exchange, and conditional approval of such application has been obtained from the Exchange.

8.25 The Corporation has advised the Corporation's directors and officers of the requirements and restrictions on the use of the net proceeds of the Offering as set out in Section 8 of the CPC Policy.

8.26 The Corporation has not made and will not make any payments which are prohibited by the CPC Policy, except as may be expressly permitted by the Exchange.

8.27 Other than as may be required, and as have or will be obtained prior to the Closing Date, under the Securities Legislation and/or the CPC Policy, requisite filings with the Commissions (and the issuance by the Commissions of receipts for the Prospectus) and the Exchange and final approval/acceptance of the Offering from the Exchange, no approval, authorization, consent or other order of any governmental

authority is required in connection with the execution, delivery or performance by the Corporation of this Agreement, the Escrow Agreement or the Broker Option Certificate.

8.28 The Corporation has complied with and will comply in all material respects with the requirements of all applicable corporate and securities laws, including, without limitation, the Securities Legislation and the *Business Corporations Act* (British Columbia) in relation to the issue and trading of its securities and in all matters relating to the Offering.

8.29 Except as disclosed in the Preliminary Prospectus and the Prospectus, no order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of such securities has been issued against the Corporation or, to the best of the Corporation's knowledge after due inquiry, against any of its directors, officers and promoters; and, to the Corporation's knowledge, no proceedings for this purpose have been instituted or are pending, contemplated or threatened.

8.30 All statements, facts, data, information and materials provided from time to time by the Corporation in writing to the Agent relating to the Corporation and the directors and officers of the Corporation are true and correct in all material respects 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.

8.31 No securities commissions or other governmental authority has issued any order preventing or suspending the use of the Preliminary Prospectus or the Prospectus.

8.32 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, including, without limitation, the matters set out in Policy 3.1 of the Exchange's Corporate Finance Manual; 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, including, without limitation, as required by Policies 3.2 and 3.3 of the Exchange's Corporate Finance Manual.

8.33 The directors and senior officers of the Corporation have or will have been provided with a copy of the Preliminary Prospectus and the Prospectus for their review, and the directors have or will have duly approved the Preliminary Prospectus and the Prospectus and the financial statements included in the Prospectus at the respective times they are filed with the Commissions and the Exchange and will have authorized the distribution of the Prospectus by the Agent in connection with the Offering.

8.34 All Tax Returns, reports, elections, remittances and payments of the Corporation, required by law to have been filed or made, have been filed or made and are substantially true, complete and correct and all Taxes of the Corporation have been paid or accrued and are reflected in the financial statements which form part of the Prospectus.

8.35 The Corporation has made adequate provision for Taxes payable for the current period for which Tax Returns are not yet required to be filed and the Corporation is not aware of any contingent liability for Taxes affecting the Corporation.

8.36 To the best of its knowledge, the Corporation has not:

- (a) made any election under Section 85 of the *Income Tax Act* (Canada) with respect to the acquisition or disposition of any property; or
- (b) acquired any property from a person with whom it was not dealing at arm's length for proceeds greater than the fair market value thereof, or disposed of any property to any such person for proceeds less than the fair market value thereof.

8.37 The Corporation has duly and timely withheld and collected all Taxes required by applicable law to be withheld or collected by it and has duly and timely remitted to the appropriate Tax Authority all such Taxes as and when required by applicable law.

8.38 There are no proceedings, investigations or audits pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation in respect of any Taxes, no event has occurred or circumstance exists which could reasonably be expected to give rise to or serve as a valid basis for the commencement of any such proceeding, investigation or audit and there are no matters under discussion, audit or appeal with any Tax Authority relating to Taxes.

8.39 The Corporation is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada) and the Corporation has, at all relevant times, been and is a taxable Canadian corporation within the meaning of Subsection 89(1) of the *Income Tax Act* (Canada).

8.40 The Corporation has not been required to file any Tax Return with, and has not been liable to pay any Taxes to, any Tax Authority outside Canada.

8.41 The Corporation is not party to any agreement or undertaking with respect to Taxes of any other person.

8.42 The Corporation has not executed or filed with any Taxation Authority any agreement extending the period for assessment, reassessment or collection of any Taxes nor waived any statute of limitations.

8.43 There is not presently, and will not be until the completion of the Offering, any material change or change in any material fact relating to the Corporation which has not been or will not be fully disclosed to the Agent.

8.44 There are no judgments against the Corporation which are unsatisfied, nor is the Corporation subject to any consent decrees or injunctions.

8.45 The representations and warranties in this section are true and correct and will remain so at all times up to and including the Closing Date.

9. COVENANTS OF THE CORPORATION AND CONDITIONS OF CLOSING

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

9.1 Prior to the Closing Date, the Corporation shall allow the Agent to conduct all due diligence which the Agent may reasonably require to confirm that the Preliminary Prospectus and Prospectus comply with the requirements of the Securities Legislation and do not contain a Misrepresentation, and to fulfil the Agent's obligations as agent.

9.2 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, the Offered Shares and 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 any information and/or statements contained in the Prospectus relating solely to the Agent.

9.3 The Corporation shall promptly inform the Agent in writing during the period of the distribution of the Offered Shares to the public of the full particulars of any material change (actual, anticipated or threatened):

- (a) in any material fact contained or referred to in the Preliminary Prospectus or 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 7 of this Agreement.

The Corporation shall file under the Securities Legislation, as soon as reasonably possible, and in any event within any statutory limitation period therefor, such new or correcting information, amendments and other documents as the 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.

9.4 The Corporation shall in good faith discuss with the Agent any change in circumstances which is of a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to Section 9.3 hereof.

9.5 During the period of distribution to the public of the Offered Shares, the Corporation will advise the Agent promptly of any request of the Commissions or Exchange for an amendment to 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 trade order, halt order or similar order relating to the Common Shares or 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. Except with respect to the halt instituted by the Exchange to facilitate Closing, the Corporation will use its commercially reasonable efforts during the period of distribution to the public of the Offered Shares to prevent the issuance of any such cease trade order or halt order and, if issued during such period, to obtain the withdrawal thereof as soon as possible.

9.6 The Corporation will deliver, from time to time without charge, to the Agent as many copies of the Prospectus (and in the event of an amendment thereto, of such amended prospectus) as the Agent may

reasonably request for the purposes contemplated hereunder and by the Securities Legislation and such delivery shall constitute the consent of the Corporation to the use thereof in connection with offering the Offered Shares to the public, subject to the provisions of the Securities Legislation relating thereto.

9.7 On or before the Closing Date, the Corporation shall take or cause to be taken all commercially reasonable steps and proceedings (including but not limited to the filing of the Prospectus and the obtaining of a receipt for the Prospectus from the Commissions under the Securities Legislation), necessary in order to qualify for distribution the Offered Shares for sale to Subscribers resident in the Offering Jurisdictions through the Agent and its sub-agents, if any, retained pursuant to Section 2.2 hereof, and to qualify for distribution the Broker Options and the Directors' and Officers' Options.

9.8 The Corporation shall deliver to the Agent at the Closing, a legal opinion addressed to the Agent, from counsel of the Corporation, substantially in the form attached hereto as Schedule "B".

In connection with such opinion, counsel to the Corporation may rely on the opinions of local counsel acceptable to counsel of the Agent, acting reasonably, as to the qualification for distribution of the Offered Shares or opinions may be given directly by local counsel of the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province in which counsel of the Corporation is qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others.

9.9 The Corporation shall deliver to the Agent at the Closing a certificate signed by the President of the Corporation, or such other director or officer of the Corporation as the Agent may accept, dated as of the Closing 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 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;
- (c) no order suspending the sale or ceasing the trading of the Common Shares or any other securities of the Corporation has been issued and no proceedings for that purpose have been instituted or are pending or are, to the knowledge of such officer, contemplated or threatened by the Commissions, Exchange, or any other securities commission, stock exchange and similar regulatory authority; and
- (d) such director or officer has 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), or entered into any transaction not in compliance with the CPC Policy; 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 officer and/or director, and except with respect to any information and statements relating solely to the Agent contained in the Prospectus, there has occurred no event and no state of fact exists that, under Securities Legislation, is required to be set forth in an amended prospectus that has not been so set forth.

9.10 The Corporation shall deliver to the Agent at the Closing the documentation provided for in Section 5.1 and such other documents and certificates that the Agent may reasonably require.

9.11 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 of the Common Shares on the Exchange prior to Closing. In the event that the Agent is required to provide and/or deliver any such documentation in connection with the application for listing or take such steps in connection therewith, the Corporation shall not be in breach of this Section 9.11 to the extent that the listing of the Common Shares on the Exchange prior to Closing is delayed and/or is not completed due to the Agent's failure to provide and/or deliver such documentation or take such steps.

9.12 The net proceeds received by the Corporation from the sale of the Offered Shares and any Common Shares sold prior to the date of the Prospectus will be applied for the specific purposes more particularly set out under "Use of Proceeds" in the Prospectus and in compliance with the provisions of the CPC Policy.

9.13 At the Time of Closing, the Corporation shall deliver to the Agent, the Broker Options and payment of the Agent's Commission and, if applicable, the balance of the Agent's legal fees and other reasonable out-of-pocket expenses and disbursements as provided for in Sections 2.4, 2.5 and 10 hereof.

9.14 At the Time of Closing, the Offered Shares shall have been made "eligible" by CDS Clearing and Depository Services Inc. ("CDS") and counsel to the Corporation shall have provided written confirmation from CDS of such eligibility to Agent's counsel.

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

9.16 Subject to any exemptions from the CPC Policy granted or permitted by the Exchange, until the Corporation completes a Qualifying Transaction, the Corporation will comply in all material respects with all applicable provisions of the CPC Policy. The Corporation will use its commercially reasonable efforts to maintain its status as a reporting issuer not in default of any Securities Legislation in the Offering Jurisdictions for a period of 24 months following the date that its Common Shares are listed and posted for trading on the Exchange and will use its commercially reasonable efforts to maintain its listing on the Exchange (or such other exchange on which the Common Shares may be listed) during such 24 months and to use its commercially reasonable efforts to complete a Qualifying Transaction within 24 months of the date that its Common Shares are listed and posted for trading on the Exchange.

9.17 During the period commencing on the date hereof and ending on the Closing Date (unless otherwise specified), the Corporation will promptly provide to the Agent and the Agent's counsel, for review, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any press release (including any press release issued after the Closing Date related to this Agreement and the Offering) or material change report and the Corporation will use its commercially reasonable efforts to agree with the Agent, acting reasonably, as to the form and substance of such document and an appropriate legend regarding US distribution shall be included on any press release as follows: "Not for distribution to United States newswire services or for dissemination in the United States" and "These securities have not been and will not be registered under the United States *Securities Act* of 1933, as amended, or the securities laws of any state, and may not be offered or sold in the United States unless an exemption from registration is available. This press release does not constitute an offer to sell or the solicitation of any offer to buy these securities in the United States".

9.18 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. EXPENSES

10.1 The Corporation will pay all of the expenses of the Offering and all the expenses reasonably incurred by the Agent in connection with the Offering and its services provided under this Agreement, whether or not it is completed, including, without limitation, marketing costs, due diligence costs, travel costs, road-show and marketing costs, the fees and disbursements of the legal counsel for the Agent and the fees and expenses of any experts or third parties engaged by the Agent, expenses incurred in conducting background checks on the existing or proposed directors, officers and promoters of the Corporation, long distance telephone, courier, photocopying, fax and similar expenses. The Corporation has paid to the Agent a deposit of \$10,000 in connection with the Agent's legal fees and other reasonable out-of-pocket expenses and disbursements, receipt of which is acknowledged by the Agent.

10.2 The Corporation will pay the expenses referred to in the previous subsection even if the Prospectus or this Agreement are not accepted by the Exchange or the Commissions or the transactions contemplated by this Agreement are not completed or this Agreement is terminated, unless the failure of acceptance or completion or the termination is the result of a breach of this Agreement by the Agent.

10.3 The Agent may, from time to time, render accounts for its reasonable expenses to the Corporation for payment on or before the dates set out in the accounts.

10.4 The Corporation authorizes the Agent to deduct its reasonable expenses in connection with the Offering from the gross proceeds of the Offering and any advance payments made by the Corporation, including expenses for which an account has not yet been rendered to the Corporation.

11. INDEMNIFICATION OF AGENT

11.1 The Corporation hereby covenants and agrees to protect and indemnify the Agent, its affiliates and selling group members and their affiliates, and their respective directors, officers, employees, partners, agents, advisors and shareholders (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 (other than loss of profits), including the aggregate amount paid in reasonable settlement of any Proceeding and the fees, disbursements and taxes of their counsel in connection with any Proceeding (collectively "**Liabilities**") caused or incurred by reason of or resulting directly or indirectly from the performance by an Indemnified Person of the services contemplated herein, including without limitation, as a result of:

- (a) any Misrepresentation or alleged Misrepresentation contained in the Preliminary Prospectus or in the Prospectus, or in any supplemental, additional or ancillary material (including an amended prospectus), 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 (i) any Misrepresentation or alleged 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, the Prospectus and/or in

any supplemental, additional or ancillary material (including an amended prospectus), 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 (ii) any Misrepresentation or alleged Misrepresentation in any written or oral representation made by the Agent to a Subscriber;

- (b) any order, inquiry or investigation related to the offering of the Offered Shares arising out of any statement contained in the Preliminary Prospectus or Prospectus (except in respect of any statement relating solely to the Agent), or in any written or oral representation made by the Corporation to a Subscriber (except with respect to any written or oral representation made by the Agent to a Subscriber), and brought by the Commissions, 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 Shares or the Broker's Shares (upon due exercise of the Broker Options), or any prohibition affecting the distribution of the Offered Shares or the Broker's Shares (upon due exercise of the Broker Options) 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 (i) 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/or the Prospectus or (ii) in any written or oral representations made by the Agent to a Subscriber;
- (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 the Offered Shares 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 the Offered Shares as contemplated by the Prospectus and this Agreement.

11.2 Notwithstanding the foregoing, the indemnity provided for in this Section 11 shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) the Liabilities to which the Indemnified Persons or any one of them may be subject were caused by gross negligence, fraud or wilful misconduct of the Indemnified Persons or any one of them; or

- (b) the Liabilities, as to which indemnification is claimed, were directly or indirectly caused by the actions referred to in Section 11.2(a).

11.3 If any matter or thing contemplated by this Section 11 shall be asserted against any Indemnified Persons, the Agent shall notify the Corporation as soon as possible of the nature of such claim and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission to so notify the Corporation shall not relieve the Corporation of any liability which it may have to an Indemnified Party, except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such Proceeding or results in any material increase in the liability for which the Corporation would otherwise have under this Agreement had the Agent not so delayed in giving or failed to give notice as required hereunder. The Corporation shall undertake the investigation and the defence of any suit or proceeding brought to enforce such claim; provided however, that the defence shall be through legal counsel reasonably acceptable to the Indemnified Person.

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 11 and the reasonable and documented fees and expenses of a reasonable number of such counsel shall be recoverable by the Indemnified Persons from the Corporation to the extent that the same shall be covered by the indemnity in this Section 11 if:

- (a) the Indemnified Persons have been advised by counsel retained by the Corporation or the Indemnified Persons 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 has not assumed the defence of the Proceeding within 10 days after receiving notice of the Proceeding;
- (c) the named parties to any such Proceeding include the Corporation, and any of the Indemnified Persons, and the Indemnified Persons have been advised by their counsel that there may be a conflict of interest between the Corporation and the Indemnified Persons; or
- (d) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding.

11.4 No admission of liability and no settlement, compromise or termination of any Proceeding shall be made without the consent of the Corporation and the consent of the Indemnified Persons affected, such consents not to be unreasonably withheld.

11.5 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 (other than the occurrence of any of the events itemized in Section 11.2(a) and (b) above), held by a court of competent jurisdiction 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 contemplated herein; or
- (b) if the allocation provided by subsection 11.5(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 11.5(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 contemplated herein 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 (including any amendments thereto), 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 11.1 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 11.1.

The amount paid or payable to an Indemnified Person as a result of any Proceedings or Liabilities shall, without limitation, include any reasonable and documented 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 agrees 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. Any liability of the Indemnified Persons under this Section 11.4 shall be limited, in the aggregate, to the amount of the fees payable to the Agent pursuant to this Agreement.

11.6 The rights to indemnity 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.

11.7 It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of Section 11.1 to 11.6, inclusive, and the Agent shall be entitled, as trustee to enforce such covenants on behalf of any other Indemnified Persons.

11.8 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 (provided the Agent acts reasonably in selecting such counsel and provided such counsel is acceptable to the Corporation), and the reasonable and documented 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 and documented fees at the normal per diem rate for the Agent's directors, officers, employees and agents 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 are brought solely in relation to activities or alleged activities of the Agent or its sub-agents retained pursuant to Section 2.2 hereof.

11.9 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 to the extent permitted by law.

12. RIGHT OF PARTICIPATION

12.1 Upon the completion of the Offering, the Corporation will notify the Agent (the "**ROP Notice**") of the terms of any further brokered debt (excluding mortgage debt or any other form of property level financing), equity (or securities convertible into equity) or equity-based financing (a "**Financing**"), any corporate transaction involving a merger or acquisition (a "**Transaction**") or any financial advisory services ("**Advisory Services**") that it requires or proposes to undertake during the term commencing on the date hereof and ending on the day which is 12 months thereafter (the "**ROP Termination Date**") and the Agent will have a right of participation to serve as, at a minimum, an agent forming a syndicate for such Financing, Transaction or Advisory Services (the "**Right of Participation**"). The Agent's Right of Participation will also pertain to any financing that is proposed to be completed concurrently or in connection with the Corporation's Qualifying Transaction as provided herein notwithstanding that such financing is completed by an offering of securities in a target issuer involved in the Qualifying Transaction. For greater certainty, the Corporation shall use commercially reasonable efforts to ensure that any Target Company (as "**Target Company**" is defined in the CPC Policy) that will conduct a brokered equity financing in connection with the Qualifying Transaction agrees to grant the Agent a right of participation to provide such financing on the terms contained herein. In the event that a Right of Participation is exercised, the Agent and the Corporation will enter into a separate agreement or other appropriate documentation for such engagement containing such compensation and other terms and conditions as are customary for similar engagements, including, without limitation, appropriate indemnification provisions.

12.2 The Right of Participation must be exercised by the Agent within five Business Days following the receipt of the ROP Notice by notifying the Corporation that it will exercise its Right of Participation for any Financing, Transaction or Advisory Services on the terms set out in the ROP Notice.

12.3 In addition to the foregoing as outlined in Section 12.1 hereof, the Agent will have the right of participation to provide any professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer required by the Corporation at any time prior to the ROP Termination Date.

12.4 The Agent acknowledges and agrees that if the Corporation issues any securities to which the foregoing right of participation would apply, but does not retain or utilize a registered dealer as agent, the right of participation shall not apply to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of Offered Shares.

12.5 In addition to the ROP Notice, in the event the financing is being completed in connection with the Corporation's Qualifying Transaction the Corporation will provide the Agent with:

- (a) copies of the most recent audited financial statements and unaudited financial statements of the Corporation and appropriate financial information for any Significant Assets (as "Significant Assets" is defined in the CPC Policy) the Corporation proposes to purchase in the Qualifying Transaction (the "Target"), prepared as of a date satisfactory to the Agent;
- (b) a copy of the Target Company's business plan; and
- (c) copies of all such other information concerning the business of the Target Company as the Agent may request;

12.6 If the Corporation receives a third party offer to serve as lead agent in connection with any of the foregoing outlined in Section 12.1 hereof at any time prior to or after delivering a ROP Notice, the Corporation shall disclose to the Agent in writing the terms upon which such third party has proposed to act in such capacity and the Agent shall have five Business Days to notify the Corporation whether it intends to exercise its Right of Participation.

12.7 If the Agent gives notice that it does not wish to participate in a Financing or a Transaction or provide Advisory Services, the Corporation will then be free for sixty (60) days to make other arrangements to obtain services or sponsorship from another source on the same terms or on terms no less favourable to the Corporation, subject to obtaining the acceptance of the Regulatory Authorities.

12.8 The Right of Participation will terminate with respect to any particular engagement if, on receipt of any ROP Notice from the Corporation, the Agent fails to exercise the right, and the Corporation completes a Financing or a Transaction or receives Advisory Services or sponsorship with another source on the same terms or terms no less favourable to the Corporation.

13. ADDITIONAL CONDITIONS OF THE AGENT'S OBLIGATIONS

13.1 If at any time prior to the Time of Closing:

- (a) there shall have occurred any material change (as "material change" is defined in the Securities Legislation) which, in the Agent's sole discretion, acting reasonably, materially impairs the investment quality or marketability of the Offered Shares;
- (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 sole discretion, acting reasonably, has had or will have a material adverse effect upon the state of financial markets in Canada such that the offering of the Offered Shares cannot be completed;
- (c) if any new or amended prospectus with respect to the Offering discloses information which, in the Agent's sole discretion, acting reasonably, 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 (other than the halt instituted by the Exchange to facilitate Closing) in the Offered 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 material 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 the 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 or any other securities commission, stock exchange or other regulatory authority having jurisdiction over the Corporation;
- (h) there is any amendment to Securities Legislation which will, in the Agent's sole discretion, increase the costs and expenses incurred or to be incurred by the Agent in connection with the offering of the Offered Shares, or impose any limitations or restrictions on the exercise of the Broker Options or on the subsequent trading of the Broker's Shares acquired pursuant to the exercise of the Broker Options; or
- (i) the Agent is not satisfied, in its sole discretion, with the results of its due diligence review contemplated in Section 9.1 hereof;

the Agent shall be entitled, at its option, acting reasonably, 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 Section 10 to be payable by the Corporation, as shall previously have been incurred by the Agent and the indemnities contained in Section 11 shall remain in full force and effect.

14. NOTICE

14.1 Any notice under this Agreement shall be given in writing and either sent by facsimile, delivered or mailed by prepaid post or electronic mail 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:

Holly Street Capital Ltd.
Suite 1500, 1055 West Georgia Street, PO Box 11117
Vancouver, British Columbia V6E 4N7

Attention: Joel Freudman, Chief Executive Officer
E-mail: "redacted"

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

McMillan LLP
Suite 1500, 1055 West Georgia Street, PO Box 11117
Vancouver, British Columbia V6E 4N7

Attention: Mark Neighbor
Facsimile: "redacted"

(b) to the Agent at:

Echelon Wealth Partners Inc.
Suite 2100, 1 Adelaide Street East
Toronto, Ontario M5C 2V9

Attention: David G. Anderson, Head of Investment Banking
Email: "redacted"

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

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

Attention: Robb McNaughton
Email: "redacted"

If such notice is sent by facsimile or is delivered, it shall be deemed to have been given at the time of receipt of the facsimile or delivery. If such notice is sent by mail, it shall be deemed to have been received five Business Days following the date of mailing thereof. If such notice is sent by electronic mail, it shall be deemed to have received on the earlier of (a) the date of transmission, if such notice is delivered prior to 5:00 p.m. (Vancouver time) or (b) one business day following the date of mailing thereof.. In the event of a strike or other disruption in postal service at or prior to the time a notice is deemed to have been received, such notice shall be delivered or sent by facsimile.

15. **MISCELLANEOUS**

15.1 Time shall be of the essence of this Agreement.

15.2 The representations and warranties contained in this Agreement or contained in certificates or documents submitted pursuant to or in connection with the transactions provided for herein shall survive Closing and shall continue in full force and effect for a period of two (2) years following the Closing Date, and the covenants (including the indemnification and contribution provisions) contained in this Agreement shall survive the purchase of the Offered Shares and shall continue in full force and effect in accordance with their terms, in either case, 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 Ontario. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario.

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 August 13, 2019 and this Agreement 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 Nothing in this Agreement shall require or be deemed to require the Agent to act contrary to its statutory obligations or its fiduciary duties to its clients.

15.9 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.

[Remainder of page left intentionally blank – Signature page to follow]

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

HOLLY STREET CAPITAL LTD.

"Joel Freudman"

Per:

Authorized Signatory

ECHELON WEALTH PARTNERS INC.

"David G. Anderson"

Per:

Authorized Signatory

SCHEDULE "A"
HOLLY STREET CAPITAL LTD.

BROKER OPTION CERTIFICATE

WITHOUT THE PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON THE EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [●]. UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [●].

THE OPTIONS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE [●, 2021].

Number of Options: [●]

Issue Date: [●, 2019]

Certificate No: [BO- 2019- ●]

Expiry Date: [●, 2021]

THIS CERTIFIES that, for value received, Echelon Wealth Partners Inc., (the “**Holder**”), is the registered holder of [●] non-transferable compensation broker options (the “**Broker Options**”), each of which entitle the Holder, subject to the terms and conditions set forth in this Broker Option Certificate, to purchase from Holly Street Capital Ltd. (the “**Corporation**”), one common share of the Corporation (a “**Common Share**”) at any time and from time to time until 4:00 p.m. (Toronto time) on [●], 2021 (the “**Expiry Date**”) on payment of \$0.10 per Common Share (the “**Exercise Price**”), subject to adjustment in certain events.

This Broker Option Certificate is being issued as partial compensation to Echelon Wealth Partners Inc. for its services in connection with the issue and sale of Common Shares of the Corporation pursuant to an agency agreement dated effective [●], 2019 among the Corporation and Echelon Wealth Partners Inc. (the “**Agency Agreement**”).

1. Exercise Date

The Broker Options granted hereunder shall be exercised on or before Expiry Date, after which all rights granted hereunder shall terminate. The Holder agrees that only up to a total of fifty (50%) percent of the Common Shares obtained by the Holder pursuant to the exercise of the Broker Options may be sold prior to the completion of a Qualifying Transaction (as that term is defined in the CPC Policy) by the Corporation. The remaining fifty (50%) percent of the Common Shares may only be sold after completion of a Qualifying Transaction. The Exchange may vary these requirements in exceptional circumstances upon the application of the Holder.

2. Exercise Price

The exercise price shall be the sum of \$0.10 per Common Share.

3. Exercise of Broker Options

The Broker Options granted hereunder may be exercised in whole or in part, at any time and from time to time, on or prior the Expiry Date, by the Holder delivering to the Corporation an election to exercise substantially in the form attached hereto as Exhibit "1" (the "**Election to Exercise**") at the address specified in the Agency Agreement, specifying therein the number of Common Shares in respect of which the Broker Options are being exercised, accompanied by payment in cash, certified cheque or bankers' draft payable to the Corporation in full payment of the purchase price for such number of Common Shares so specified therein.

4. Share Certificates

Upon exercise of the Broker Options, the Corporation shall forthwith cause the Transfer Agent (as specified in the Agency Agreement) to deliver to the Holder or as the Holder may otherwise in writing direct in the Election to Exercise, within three (3) Business Days following the receipt by the Corporation of payment for the number of Common Shares so exercised, a certificate or certificates representing in the aggregate such number of Common Shares as the Holder may have paid for.

5. No Rights of Shareholder Until Exercise

The Holder shall have no rights whatsoever as a shareholder (including any right to receive dividends or other distributions to shareholders or to vote at a general meeting of the shareholders of the Corporation) other than in respect of the Common Shares which the Holder shall have exercised its right to purchase hereunder and which the Holder shall have actually taken up and paid for pursuant to this Broker Option Certificate.

6. Non Transferable

The rights conferred hereunder shall be non-transferable and non-tradeable.

7. No Fractional Common Shares

No fractional Common Shares will be issued on exercise of this Broker Option Certificate, and no compensation will be paid for such fractional Common Shares, if any.

8. Dilution

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

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

In the event that the Corporation shall at any time prior to the Expiry Date, amalgamate, consolidate with or merge into another corporation, the Holder shall thereafter receive, upon the exercise of the Broker Options, but only as to the Common Shares in respect of which the Broker Options are then exercised, the securities or property which the Holder would have been entitled to following such amalgamation, consolidation or merger if it had exercised the Broker Options and held the Common Shares immediately prior to the amalgamation, consolidation or merger, and the Corporation will take such steps in connection with such amalgamation, consolidation or merger as may be necessary to ensure that the provisions hereof shall thereafter be applicable, as near as reasonably may be possible in relation to any securities or properties thereafter delivered upon the exercise of the Broker Options hereby granted. A sale of all or substantially all of the assets of the Corporation for a consideration (apart from the assumption of obligations) consisting primarily of securities, shall be deemed a consolidation, amalgamation or merger for the foregoing purposes.

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

9. Reservation of Treasury Shares

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

10. Definitions

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

11. Enurement

Subject to the other provisions hereof, this Broker Option Certificate shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

12. Governing Law

This Broker Option Certificate will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the Corporation has caused this Broker Option Certificate to be signed by its duly authorized officers.

DATED as of [●], 2019.

HOLLY STREET CAPITAL LTD.

Per: _____
Authorized Signatory

EXHIBIT 1

Election to Exercise

The undersigned hereby irrevocably elects to exercise the Broker Options to acquire the number of Common Shares set out below (or other property or securities subject thereto) as set forth below:

- (a) Number of Common Shares to be acquired: _____
- (b) Exercise price: _____
- (c) Aggregate purchase price [(a) multiplied by (b)]: \$_____

and hereby tenders cash, a certified cheque or a bankers' draft for such aggregate purchase price, and directs such Common Shares to be registered and certificates therefor to be issued as directed below.

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

DATED this ____ day of _____, 20____.

ECHELON WEALTH PARTNERS INC.

Per: _____

Direction as to Registration

Name of Registered Holder: _____

Address of Registered Holder: _____

SCHEDULE "B"

To an agency agreement dated the ____ day of November, 2019 between Holly Street Capital Ltd. (the “**Corporation**”) and Echelon Wealth Partners Inc. (the “**Agent**”)

1. The Corporation is a corporation incorporated under the laws of Canada. At the date hereof, the Corporation has full corporate power and authority to carry on its business as described in the Prospectus.
2. The authorized capital of the Corporation is an unlimited number of common and preferred shares, of which 2,500,000 Common Shares are issued and outstanding as fully paid and non-assessable shares, prior to the issuance of the Offered Shares.
3. The Corporation has full corporate power and authority to enter into the Agency Agreement, Escrow Agreement and Broker Option Certificate, and to perform its obligations set out therein, and the Agency Agreement, Escrow Agreement and Broker Option Certificate have been duly authorized, executed and delivered by the Corporation, and each of the Agency Agreement, Escrow Agreement and Broker Option Certificate constitutes a valid and binding obligation of the Corporation, enforceable against it in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally, and except as limited by the application of equitable principals when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by applicable law.
4. All necessary corporate action has been taken by the board of directors of the Corporation to authorize the creation, issuance and sale by the Corporation of the Offered Shares in the manner contemplated by the Agency Agreement.
5. All approvals, permits, consents, orders and authorizations have been obtained and all necessary documents have been filed by the Corporation under the laws of the Provinces of British Columbia, Alberta and Ontario to qualify the issuance, sale and distribution of the Offered Shares by the Prospectus to subscribers resident in the Provinces of British Columbia, Alberta, and Ontario through registrants registered under the laws of the Provinces of British Columbia, Alberta and Ontario who have complied with such laws.
6. The authorization, execution, delivery and fulfilment of the terms of the Agency Agreement, Broker Option Certificate and the Escrow Agreement by the Corporation do not conflict with or result in a breach of or a default under:
 - 6.1 any of the terms, conditions or provisions of the articles or by-laws of the Corporation;
 - 6.2 any agreement or indenture to which the Corporation is a party or by which it is bound and of which we are aware;
 - 6.3 any shareholders’ or directors’ resolutions of the Corporation of which we are aware; or
 - 6.4 any applicable laws of the Province of Ontario and the federal laws of Canada applicable therein.
7. Upon the Offered Shares being issued pursuant to the terms of the Agency Agreement, such Offered Shares will have been validly issued as fully paid and non-assessable shares.

8. All necessary corporate action has been taken by the Corporation to authorize the issuance of up to 250,000 additional Common Shares (the “**Broker’s Shares**”) in the event the Agent should exercise its option pursuant to the Broker Option Certificate, and the Broker’s Shares, when issued in accordance with the terms of the Broker Option Certificate, will be validly issued as fully paid and non-assessable shares.

9. Assuming that the Broker’s Shares are issued in accordance with the terms and conditions of the Broker Option Certificate, no filing, proceeding, approval, permit, consent or authorization is required to be made, taken or obtained under the laws of the Provinces of British Columbia, Alberta and Ontario to permit the issuance to the Agent by the Corporation of the Broker’s Shares upon the exercise of the Broker Option Certificate.

10. The first trade by the Agent of the Broker’s Shares, other than a trade which is otherwise exempted under the applicable securities legislation of the Provinces of British Columbia, Alberta and Ontario will be a distribution subject to the prospectus requirements of the applicable securities legislation of the Provinces of British Columbia, Alberta and Ontario unless:

10.1 the trade is not a “control distribution” within the meaning ascribed thereto pursuant to Section 1.1 of National Instrument 45-102 “Resale of Securities” (“**NI 45-102**”); and

10.2 the Corporation is a reporting issuer for the purposes of NI 45-102 at the time of the trade.

11. The Exchange has approved the listing of the Offered Shares and the Broker’s Shares, subject to the Corporation fulfilling all of the requirements of the Exchange.

12. The Transfer Agent at its principal office in the City of Vancouver has been duly appointed registrar and transfer agent of the Common Shares.

13. The form of share certificate representing the Common Shares of the Corporation has been duly approved and adopted by the Corporation and complies with the provisions of the *Business Corporations Act* (British Columbia).

14. The statements concerning tax matters under the heading “Eligibility for Investment” in the Prospectus are accurate, subject to the assumptions, qualifications, limitations and restrictions set forth therein.

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