

AGENCY AGREEMENT

December 2, 2022

Highrock Resources Ltd.
615-800 West Pender Street,
Vancouver, BC V6C 2V6

Attention: Gary Musil, Chief Executive Officer, President and Director

Dear Sir:

Re: Initial Public Offering of Highrock Resources Ltd.

We, Haywood Securities Inc. (the "**Agent**"), understand that Highrock Resources Ltd. (the "**Company**") would like to undertake an initial public offering (the "**Offering**") of 3,500,000 common shares of the Company (each, a "**Share**"), at a price of \$0.10 per Share (the "**Offering Price**") to raise gross proceeds of \$350,000, and the concurrent listing (the "**Listing**") of the Shares on the Canadian Securities Exchange (the "**Exchange**").

The Company also wishes to grant to the Agent an over-allotment option (the "**Over-Allotment Option**") for the Agent to sell up to an additional 525,000 Shares (the "**Additional Shares**"). The Additional Shares will have the same characteristics as the Shares and will be issued at the Offering Price per Additional Share. The Over-Allotment Option may be exercised by the Agent, by giving notice to the Company, up to 48 hours prior to the Closing Date, in whole or in part at the sole discretion of the Agent. The Company acknowledges and agrees that the Agent is under no obligation to purchase any of the Additional Shares. The Shares and the Additional Shares are collectively referred to herein as the "**Offered Shares**" and unless the context otherwise requires, all references to the "**Offered Shares**" will assume the exercise of the Over-Allotment Option and all references to the "**Shares**" or "**Offered Shares**" will include any securities issued upon exercise of the Over-Allotment Option.

We provide this letter to confirm the terms and conditions upon which we are prepared to act as your agent to use our commercially reasonable efforts to offer and sell the Offered Shares on your behalf. By signing a copy of this letter, you are confirming that we have entered into a binding agreement (the "**Agreement**") pursuant to which you will have appointed us as your exclusive agent to use our commercially reasonable efforts to offer and sell the Offered Shares on the terms and conditions contained herein.

In consideration of the services to be rendered by us to you hereunder, you hereby agree with us as follows:

1.0 DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, including any schedules forming a part of this Agreement:

"**Additional Shares**" has the meaning ascribed thereto in the second paragraph of this Agreement.

"**Agent**" has the meaning ascribed thereto in the first paragraph of this Agreement.

"**Agent's Fee**" has the meaning ascribed thereto in Section 8.1(a).

“Agreement” has the meaning ascribed thereto in the third paragraph of this Agreement.

“Alternative Transaction” means the issuance of securities of the Company or a business transaction, either of which involve a change in control of the Company, or any material subsidiary of the Company including a merger, amalgamation, arrangement, take-over bid supported by the board of directors of the Company, insider bid, reorganization, joint venture, sale of all or substantially all assets, exchange of assets or any similar transaction, excluding an issuance of securities pursuant to the exercise of securities of the Company outstanding on the date hereof or in connection with a bona fide acquisition by the Company (other than a direct or indirect acquisition, whether by way of one or more transactions, of an entity all or substantially all of the assets of which are cash, marketable securities or financial in nature or an acquisition that is structured primarily to defeat the intent of Section 11.1).

“Applicable Securities Laws” means securities legislation of the Qualifying Jurisdictions and the regulations, rules, administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable Regulatory Authorities, all as amended.

“Audited Financial Statements” has the meaning ascribed thereto in Section 4.1(t).

“Closing” has the meaning ascribed thereto in Section 7.1.

“Closing Date” has the meaning ascribed thereto in Section 7.1.

“Closing Materials” has the meaning ascribed thereto in Section 5.1(c)(vi).

“Comfort Letter” has the meaning ascribed thereto in Section 5.1(c)(ii).

“Commissions” means the securities regulatory bodies (other than stock exchanges) of the Qualifying Jurisdictions and “Commission” means the securities regulatory body of a specified Qualifying Jurisdiction.

“Company” has the meaning ascribed thereto in the first paragraph of this Agreement.

“Compensation Options” means the options of the Company to be issued to the Agent pursuant to Section 8.2 hereof to acquire Compensation Shares.

“Compensation Shares” means previously unissued Shares that are issuable upon the exercise of the Compensation Options.

“Corporate Finance Fee” has the meaning ascribed thereto in Section 8.1(b).

“Corporate Finance Fee Shares” has the meaning ascribed thereto in Section 8.1(b).

“distribution” (or **“distribute”** as derived therefrom), has the meaning ascribed thereto in the *Securities Act* (British Columbia).

“Exchange” has the meaning ascribed thereto in the first paragraph of this Agreement.

“Expenses” has the meaning ascribed thereto in Section 9.1.

“Final Listing Application” means the final listing application filed with the Exchange to obtain a listing of the Shares on the Exchange (including the Corporate Finance Fee Shares).

“Final Prospectus” means the final prospectus of the Company to be filed with the Commissions for the purpose of qualifying the distribution of the Offered Shares and Compensation Options.

“Final Receipt” means the receipt for the Final Prospectus from the British Columbia Securities Commission to be issued in accordance with Multilateral Instrument 11-102 and National Policy 11-202 together with such other receipts or decision documents necessary to evidence that a receipt for the Final Prospectus has been issued by each of the Commissions.

“Financial Statements” has the meaning ascribed thereto in Section 4.1(t).

“Governmental Entity” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board or authority of any of the foregoing or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing.

“Hazardous Substances” has the meaning ascribed thereto in Section 4.1(gg).

“Indemnified Party” has the meaning ascribed thereto in in Section 10.1.

“Legal Opinions” has the meaning ascribed thereto in Section 5.1(c)(iv).

“Listing Applications” means the Preliminary Listing Application and the Final Listing Application.

“Material Agreement” means any material contract, commitment, agreement (written or oral), joint venture instrument, lease or other document to which the Company or any of its subsidiaries is a party or by which any of their property or assets are bound.

“Material Change” has the meaning ascribed thereto under Applicable Securities Laws.

“Material Contracts” has the meaning ascribed thereto in Section 4.1(aa).

“Material Fact” has the meaning ascribed thereto under Applicable Securities Laws.

“misrepresentation” has the meaning ascribed thereto in the *Securities Act* (British Columbia).

“Net Proceeds” means the gross proceeds of the Offering plus any advance payments for expenses or on account of the cash portion of the Corporate Finance Fee made by the Company and held by the Agent at Closing, less:

- (a) the cash portion of the Agent’s Fee and the Corporate Finance Fee; and
- (b) the Expenses of the Agent in connection with the Offering for which the Agent has not been reimbursed by the Company.

“NI 41-101” means National Instrument 41-101 *General Prospectus Requirements*.

“Offered Shares” has the meaning ascribed thereto in the second paragraph of this Agreement.

“Offering” has the meaning ascribed thereto in the first paragraph of this Agreement.

“Offering Price” has the meaning ascribed thereto in the first paragraph of this Agreement.

“Officer’s Certificate” has the meaning ascribed thereto in Section 5.1(c)(v).

“Optionor” has the meaning ascribed thereto in the Prospectus.

“Over-Allotment Option” has the meaning ascribed to that term in the second paragraph of this Agreement.

“Pathfinder Property” has the meaning ascribed thereto in the Prospectus.

“Pathfinder Property Technical Report” has the meaning ascribed thereto in the Prospectus.

“Permit” means any license, permit, approval, consent, certificate, registration or other authorization of or issued by any Governmental Entity.

“Preliminary Listing Application” means the preliminary listing application filed with the Exchange to obtain comfort that a listing of the Shares (including the Compensation Shares and the Corporate Finance Fee Shares), will be obtained.

“Preliminary Prospectus” means the preliminary prospectus of the Company filed with the Commissions for the Offering.

“Principals” has the meaning ascribed thereto in Section 4.1(u)(i).

“Property” means the Pathfinder Property, consisting of consists of three non-surveyed contiguous mineral claims totaling 295.562 hectares located within Greenwood Mining Division of British Columbia, as further described in the Pathfinder Property Technical Report.

“Prospectus” or **“Prospectuses”** means, together, the Preliminary Prospectus and the Final Prospectus.

“Purchaser” means a person that subscribes for and purchases Offered Shares pursuant to the Offering.

“Qualifying Jurisdictions” means British Columbia, Alberta and such other jurisdictions outside of Canada as the Agent and the Company may mutually agree, being those jurisdictions in which the Offered Shares will be offered for sale pursuant to the Offering, and **“Qualifying Jurisdiction”** means any one of them.

“Regulatory Authorities” means the Commissions and the Exchange.

“Selling Group” has the meaning ascribed thereto in Section 2.2.

“Share” has the meaning ascribed thereto in the first paragraph of this Agreement.

“**Supplementary Material**” has the meaning ascribed thereto in Section 3.1(d).

“**Time of Closing**” means 8:00 a.m. (Vancouver Time), or such other time as the parties may agree, on the Closing Date.

“**trade**” has the meaning ascribed thereto in the *Securities Act* (British Columbia).

“**Share**” has the meaning ascribed in the first paragraph of this Agreement.

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

“**U.S. Person**” means a U.S. Person as that term is defined in Regulation S of the U.S. Securities Act.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

1.2 In the event that the Offering is to be undertaken in only one Qualifying Jurisdiction, then the terms “**Commissions**”, “**Final Receipt**” and “**Qualifying Jurisdictions**” as they appear throughout the Agreement will be read as if they were written in the singular form and the provisions of this Agreement relating thereto will be interpreted in that context.

1.3 References to a particular “article”, “Section”, “subsection” or other subdivision is to the particular article, Section or other subdivision of this Agreement, unless otherwise specified.

1.4 The words “hereof”, “herein”, “hereunder” and similar expressions used in any clause, paragraph or Section of this Agreement will relate to the whole of this Agreement and not to that clause, paragraph or Section only, unless otherwise expressly provided.

2.0 APPOINTMENT OF AGENT

2.1 The Company appoints the Agent as the sole agent and sole bookrunner in respect of the Offering and the Agent hereby agrees to act as the sole agent and sole bookrunner in respect of the Offering. The Agent agrees to use its commercially reasonable efforts to offer and sell the Offered Shares in the Qualifying Jurisdictions.

2.2 If in the opinion of the Agent it is necessary, the Agent will form, manage and participate in a group of registered securities dealers (the “**Selling Group**”) to offer and sell the Offered Shares provided for hereunder. In the event that a Selling Group is formed, the Agent will manage the Selling Group to the extent customary in the securities industry in Canada and require each member of the Selling Group to conduct the Offering on the terms and conditions set forth in this Agreement. The Agent will determine the fee(s) payable to the members of the Selling Group, which fee(s) will be paid by the Agent out of the Agent’s Fee and the Compensation Options. The Agent will at all times be the sole agent and sole bookrunner in respect of the Offering.

2.3 The Agent understands that the Offered Shares are not being registered under the U.S. Securities Act or any state securities laws and represents that it has not offered or sold and agrees that it will not offer, sell or deliver at any time, directly or indirectly, in the United States (which term, as used herein, includes its territories or possessions) or to or for the account of any person whom the Agent knows or has reason to believe is a U.S. Person, any of the Offered Shares. The Agent further agrees that it will require any

dealer who offers and sells any of the Offered Shares (whether as a member of the Selling Group or otherwise) to agree to comply with this requirement.

2.4 The Agent agrees to sell the Offered Shares only in the Qualifying Jurisdictions and in accordance with and in a manner permitted by the laws of each Qualifying Jurisdiction and to require each member of the Selling Group to agree with the Agent to sell the Offered Shares only in the same manner. The Agent further agrees, subject to receipt of the same from the Company, to send a copy of all amendments to the Prospectus to all persons to whom copies of the Final Prospectus are sent and further agrees to require each member of the Selling Group to agree with the Agent to distribute the same documents in the manner stipulated.

3.0 FILING OF PROSPECTUS AND CONDUCT OF THE OFFERING

3.1 The Company covenants and agrees with the Agent that it will:

- (a) as soon as possible after any regulatory deficiencies have been satisfied with respect to the Preliminary Prospectus on a basis acceptable to the Agent, acting reasonably, prepare and file a Final Prospectus with the Regulatory Authorities, together with the required supporting documents (including, without limitation, any marketing materials) and use its commercially reasonable efforts to obtain the Final Receipt and take all other steps and proceedings that may be necessary in order to qualify, under the Applicable Securities Laws, the distribution of the Offered Shares to the Purchasers in the Qualifying Jurisdictions, and the distribution of the Compensation Options and Compensation Shares to the Agent;
- (b) as soon as practicable after the Final Receipt has been issued, prepare and file with the Exchange a Final Listing Application, together with the required supporting documents, and use its commercially reasonable efforts to obtain Exchange approval for the Final Listing Application;
- (c) with respect to the filing of the Final Prospectus as contemplated herein, fulfil all legal requirements required to be fulfilled by the Company in connection therewith, in each case in form and substance satisfactory to the Agent as evidenced by the Agent's execution of the certificates attached thereto, and prior to the filing the Final Prospectus, allow the Agent to review and comment on the Final Prospectus and conduct all due diligence investigations into the principals, business and affairs of the Company which the Agent, in its sole discretion, considers necessary to enable it to execute, acting prudently and responsibly, the certificates required to be executed by the Agent in the Final Prospectus;
- (d) during the period prior to the completion of the Offering, promptly notify the Agent in writing of any Material Change (actual or proposed) in the business, affairs, operations, assets or liabilities (contingent or otherwise) or capital of the Company, or of any change which is of such a nature as to result in a misrepresentation in either of the Prospectuses or any amendment thereto and the Company will, within any applicable time limitation, comply with all filing and other requirements under the Applicable Securities Laws, and with the rules of the Exchange, applicable to the Company as a result of any such change. Notwithstanding the foregoing, the Company will not file any amendment to the Prospectuses or any other material supplementary to the Prospectuses (all such amendments and material being the "**Supplementary Material**") without first obtaining the

approval of the Agent as to the form and content thereof, which approval will not be unreasonably withheld and which will be provided on a timely basis. In addition to the foregoing, the Company will, in good faith, discuss with the Agent any change in circumstances (actual or proposed) which is of such a nature that there is or ought to be consideration given by the Company as to whether notice in writing of such change need be given to the Agent pursuant to this subparagraph;

- (e) deliver to the Agent duly executed copies of any Supplementary Material required to be filed by the Company in accordance with Section 3.1(d) above and if any financial or accounting information is contained in any of the Supplementary Material, an additional Comfort Letter to that required by Section 5.1(c)(iii); and
- (f) from time to time and without charge to the Agent, deliver to the Agent as many copies of each of the Prospectuses and any amendments thereto, if any, as the Agent may reasonably request, and such delivery will constitute the Company's consent to the Agent's use of the documents in connection with the Offering.

3.2 The Agent will deliver to each Purchaser a copy of the Final Prospectus in compliance with Applicable Legislation.

3.3 All funds received by the Agent will be held in trust by the Agent until Closing. Notwithstanding any other term of this Agreement, all subscription funds received by the Agent will be returned to the Purchasers without interest or deduction if Closing has not occurred by the 90th day following the date of the Final Receipt or such later date as the Agent and the Company may agree and the securities regulatory authorities may approve.

3.4 The distribution of the Offered Shares will remain open for 90 days from the date of the Final Receipt, unless an amendment to the Prospectus is filed with the Regulatory Authorities and a receipt for such amendment is received, in which case, the distribution of the Offered Shares will remain open for a maximum of 180 days from the date of the Final Receipt.

4.0 REPRESENTATIONS AND WARRANTIES

4.1 The Company represents, warrants and covenants to the Agent as follows, and acknowledges that the Agent will be relying upon such representations, warranties and covenants in entering into this Agreement:

- (a) the Company has made available and provided to the Agents (and its counsel), and, on a timely basis, will make available and provide to the Agents (and its counsel), all Material Agreements, arrangements and understandings in connection with the Property, and any of the other transactions contemplated in connection therewith and copies of all written reports produced in the course of its due diligence investigation of the Property;
- (b) the Company:
 - (i) is duly existing under the laws of British Columbia and is up-to-date in all material corporate filings and in good standing under the *Business Corporations Act* (British Columbia);

- (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its assets;
 - (iii) has all necessary licenses, Permits, authorizations, and other approvals necessary to permit it to conduct its business and all such licenses, Permits, authorizations and approvals are in full force and effect in accordance with their terms; and
 - (iv) has all requisite corporate power and authority to issue and sell the Offered Shares and to enter into this Agreement and to carry out its obligations hereunder;
- (c) the Company is duly registered and licensed to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction;
 - (d) no proceedings have been taken, instituted or are pending for the dissolution or liquidation of the Company;
 - (e) the Preliminary Prospectus has been filed with the Regulatory Authorities, together with the required supporting documents;
 - (f) the Preliminary Prospectus contains full, true and plain disclosure of all material facts relating to the Company, and its business and securities, and contains no “misrepresentations”, within the meaning of Applicable Securities Laws;
 - (g) the authorized and issued share capital of the Company is, and, except as provided for herein, will be immediately prior to the Time of Closing, as set forth in the Prospectuses;
 - (h) the Shares outstanding on the date hereof are validly issued and outstanding as fully paid and non-assessable common shares of the Company, and are free and clear of all voting restrictions and trade restrictions (other than such trade restrictions imposed by (i) the Company’s articles, which provisions will cease to apply at Closing; or, (ii) Applicable Securities Laws of any kind whatsoever (including, but not limited to, the policies of the Exchange); or, (iii) contractually between the holders and the Company as described in the Prospectuses);
 - (i) except as described in the Prospectuses, the Company does not own any securities in any other entity;
 - (j) except as disclosed in the Prospectuses, there are no, nor will there be immediately prior to the Time of Closing, any options, agreements or rights of any kind whatsoever to acquire all or any securities of the Company;
 - (k) except as disclosed in the Prospectuses, there are no, nor will there be immediately prior to the Time of Closing, any “securities” (as that term is defined under Applicable Securities Laws) of the Company outstanding;
 - (l) the Shares and the Corporate Finance Fee Shares, at the Time of Closing, shall be duly authorized, validly issued, and fully paid and non-assessable common shares of the Company, and Compensation Shares shall be allotted and reserved for issuance subject to exercise of the Compensation Options, including receipt of the exercise price therefor;

- (m) all of the material transactions of the Company have been promptly and properly recorded or filed in its respective minute books and such minute books contain all records of the meetings and proceedings of its shareholders, board of directors and committees of its board of directors, if any, since its incorporation;
- (n) the minute books and records of the Company which the Company has made available to the Agents and their counsel, Dentons Canada LLP, in connection with their due diligence investigation of the Company from incorporation on August 3, 2021 to the date of examination thereof contain copies of all constating documents and all proceedings of securityholders and directors (and committees thereof) (or drafts pending the approval thereof) and are complete in all material respects;
- (o) except as described in the Prospectuses, the Company holds all licences and permits that are required for carrying on its business in the manner in which such business has been carried on and the Company has the corporate power and capacity to own the assets owned by it and to carry on the business carried on by it and the Company is duly qualified to carry on business in all jurisdictions in which it carries on business;
- (p) the Company has good and marketable title to its assets free and clear of all material liens, charges and encumbrances of any kind whatsoever, except as disclosed in the Prospectuses;
- (q) except as described in the Prospectuses, the Company holds the exclusive right and option to earn and acquire, in two stages, subject to the Optionor retaining a 0.5% Net Smelter Returns Royalty, of which 0.25% may be repurchased by the Company, and subject to an underlying 1.5% Net Smelter Returns Royalty in favour of Clive Brookes and the Estate of David Heyman, up to a 75% interest in the Property, and such mining rights have been validly registered and recorded in accordance in all material respects with all applicable laws and are valid and subsisting;
- (r) the Company will have or will use best efforts to obtain all necessary surface rights, access rights and other necessary rights and interests relating to the Property granting the Company the right and ability to access, explore for and develop the mineral deposits as are appropriate in view of the rights and interests therein of the Company;
- (s) the Company does not have any trademarks or patents except as disclosed in the Prospectuses, such disclosure to include all material particulars in respect of their registrations and status;
- (t) the audited financial statements of the Company for the year-ended January 31, 2022 which comprise the statement of financial position as at January 31, 2022, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from incorporation on August 3, 2021 to January 31, 2022 (collectively, the "**Audited Financial Statements**"), and the unaudited interim financial statements of the Company for the six months ended July 31, 2022 which comprise the interim statement of financial position, and the interim statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the six months ended July 31, 2022 (collectively, the "**Interim Financial Statements**", and together with the Audited Financial Statements, the "**Financial Statements**"), in each case are true and correct in every material respect

and present fairly and accurately the financial position and results of the operations of the Company for the period then ended and the Financial Statements have been prepared in accordance with International Financial Reporting Standards;

- (u) except as disclosed in the Financial Statements or as disclosed in the Prospectuses:
 - (i) the Company is not indebted to any of its directors or officers (collectively, the “**Principals**”), other than in respect of accrued but unpaid compensation or expenses incurred in the ordinary course not yet reimbursed;
 - (ii) none of the Principals or shareholders of the Company is indebted or under obligation to the Company on any account whatsoever; and
 - (iii) the Company 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;
- (v) there are no material liabilities of the Company, whether direct, indirect, absolute, contingent or otherwise which are not disclosed in the Prospectuses or reflected in the Financial Statements except those incurred in the ordinary course of its business since January 31, 2022;
- (w) since January 31, 2022, there has not been any adverse Material Change, of any kind whatsoever in the financial position or condition of the Company or any damage, loss or other change of any kind whatsoever in circumstances materially affecting its business or assets or the right or capacity to carry on its business, such business having been carried on in the ordinary course;
- (x) there has not been any reportable event (within the meaning of Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations of the Canadian Securities Administrators*) or reportable disagreements with the auditors or former auditors of the Company;
- (y) the Company’s auditors have not provided any material comments or recommendations to the Company regarding its accounting policies, internal control systems or other accounting or financial practices;
- (z) the directors, officers and key employees of the Company and their compensation arrangements, whether as directors, officers or employees of, or as independent contractors or consultants to, the Company will, if material, be disclosed in the Prospectuses, and, except as disclosed therein, there are no pensions, profit sharing, group insurance or similar plans or other deferred compensation plans of any kind whatsoever affecting the Company;
- (aa) all of the material contracts (the “**Material Contracts**”) of the Company are disclosed in the Prospectuses, such disclosure to provide all material particulars thereof including the status of those Material Contracts;
- (bb) all tax returns, reports, elections, remittances and payments of the Company required by law to have been filed or made, have been filed or made (as the case may be) and are, to

the Company's knowledge, substantially true, complete and correct and all taxes of the Company required by law to have been paid, have been paid or accrued in the Financial Statements;

- (cc) the Company:
 - (i) has been assessed for all applicable taxes and has received all appropriate refunds;
 - (ii) has made adequate provision for taxes payable for the current period for which tax returns are not yet required to be filed; and
 - (iii) is not aware of any contingent tax liability of the Company or any of its subsidiaries;
- (dd) to its knowledge, the Company has not:
 - (i) made any election under Section 85 of the *Income Tax Act* (Canada) with respect to the acquisition or disposition of any property; or
 - (ii) acquired any property from a non-arm's length person with whom it was not dealing with at arm's length for proceeds greater than the fair market value thereof, or disposed of anything to a non-arm's length person for proceeds less than the fair market value thereof;
- (ee) there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding, against or affecting the Company or, to the knowledge of the Company, its directors, officers or promoters, or to the knowledge of the Company, pending or threatened, at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever and, to its knowledge, there is no basis therefor;
- (ff) to the knowledge of the Company, the Company is not in breach of any applicable law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever;
- (gg) to the knowledge of the Company, the Company has not caused or permitted the release, in any manner whatsoever, of any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances (collectively, "**Hazardous Substances**") on or from any of its properties or assets nor has it received any notice that it is potentially responsible for a clean-up site or corrective action under any applicable laws, statutes, ordinances, by-laws, regulations or any orders, directions or decisions rendered by any government, ministry, department or administrative regulatory agency relating to the protection of the environment, occupational health and safety or otherwise relating to dealing with Hazardous Substances;
- (hh) the Company has good and sufficient right and authority to enter into this Agreement and complete its transactions contemplated under this Agreement on the terms and conditions set forth herein;
 - (ii) the execution and delivery of this Agreement and the Compensation Options, the performance of its obligations thereunder and the completion of the transactions

contemplated thereunder will not conflict with, or result in the breach of or the acceleration of any indebtedness under, or constitute default under: (i) to the Company's knowledge, applicable laws; (ii) the constating documents of the Company; (iii) any indenture, mortgage, agreement, lease, license or other instrument of any kind whatsoever to which the Company is a party or by which it is bound; or (iv) any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which it is bound;

- (jj) except as provided herein, there is no person, firm or corporation acting or purporting to act for the Company entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder, and in the event any person, firm or corporation acting or purporting to act for the Company becomes entitled at law to any fee from the Agent;
- (kk) except as disclosed to the Agent, the Company has not entered into any consulting, services or other types of agreements or arrangements out of the ordinary course of business with any Purchaser or any associates or affiliates of any Purchaser, whereby the Purchaser's purchase of securities under the Offering is conditional upon or a condition of the entering into of such an arrangement; or (ii) the Company is obligated to make cash payments to the Purchaser or its associates or its affiliates;
- (ll) each Material Contract is legal, valid, binding and in full force and effect and is enforceable by the Company in accordance with its terms;
- (mm) to the knowledge of the Company, it has performed in all material respects all respective obligations required to be performed by it to date under each of the Material Contracts and is not in breach or default under any such agreement;
- (nn) the Company has not received any written notice of a default or a dispute between the Company and any other entity in respect of any Material Contract;
- (oo) all material and statements (except information and statements relating solely to the Agent) contained in the Prospectuses and Listing Applications, at the respective dates of initial delivery thereof, will comply with the Applicable Securities Laws and be true and correct in all material respects, and such documents, at such dates, will contain no misrepresentation and together will constitute full, true and plain disclosure of all Material Facts relating to the Company as required by the Applicable Securities Laws;
- (pp) the Company will apply the Net Proceeds substantially in accordance with the description set forth in the Prospectuses under the heading "Use of Proceeds"; and
- (qq) the Company will, prior to the Time of Closing, fulfil to the satisfaction of the Agent all legal requirements (including, without limitation, compliance with Applicable Securities Laws) to be fulfilled by the Company to enable the Shares and Corporate Finance Fee Shares to be distributed free of trade restrictions in the Qualifying Jurisdictions, subject to restrictions imposed upon the Agent under NI 41-101 and on trades by a control person.

4.2 The representations and warranties of the Company contained in this Agreement will be true at the Time of Closing as though they were made at the Time of Closing and they will survive the completion of

the transactions contemplated under this Agreement and remain in full force and effect thereafter for the benefit of the Agent for a period of two years from the Time of Closing.

4.3 The Agent represents, warrants and covenants to the Company, and acknowledges that the Company will be relying upon such representations, warranties and covenants in entering into this Agreement, that:

- (a) the Agent is a valid and subsisting corporation, duly incorporated and in good standing under the jurisdiction in which it is incorporated, continued or amalgamated;
- (b) the Agent holds all registrations, licenses and Permits that are required for carrying on its business in the manner in which such business has been carried on to sell the Offered Shares in the Qualifying Jurisdictions, and the Agent has the corporate power and capacity to carry on the business carried on by it and the Agent is duly qualified to carry on business in the Qualifying Jurisdictions;
- (c) the Agent has all requisite power and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (d) the Agent is, and will remain until the completion of the Offering, appropriately registered under Applicable Securities Laws so as to permit it to lawfully fulfil its obligations hereunder and the Agent is, and will remain until the completion of the Offering, a participating organization of the Exchange in good standing; and
- (e) the Agent will fulfil all legal requirements (including, without limitation, compliance with Applicable Securities Laws) to be fulfilled by it to act as the Company's agent in undertaking the Offering in the Qualifying Jurisdictions.

4.4 The representations and warranties of the Agent contained in this Agreement will be true at the Time of Closing as though they were made at the Time of Closing and they will survive the completion of the transactions contemplated under this Agreement and remain in full force and effect thereafter for the benefit of the Company for a period of two years from the Time of Closing.

5.0 ADDITIONAL COVENANTS

5.1 The Company covenants and agrees with the Agent that it will:

- (a) with respect to the filing of the Listing Applications as contemplated herein, fulfil all of the requirements of the Exchange required to be fulfilled by the Company in connection therewith;
- (b) not issue, announce any issue or agree to issue any securities of the Company, other than pursuant to (i) the exercise of the Over-Allotment Option; (ii) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation plans, as detailed in the Prospectuses; (iii) the issue of Shares upon the exercise of convertible securities, warrants, options or other currently outstanding convertible securities or obligations, or previously scheduled property payments during the period beginning on the date of this Agreement and ending 90 days after the Closing Date

without the prior written consent of the Agent, such consent not to be unreasonably withheld;

- (c) deliver to the Agent:
 - (i) prior to the Time of Closing, an opinion of legal counsel for the Company, addressed to the Agent, with respect to title to the Property in form and substance satisfactory to the Agent and its legal counsel, acting reasonably;
 - (ii) prior to the execution of the Final Prospectus by the Agent, a comfort letter (the "**Comfort Letter**") of the Company's auditors addressed to the Agent, its legal counsel and to the directors of the Company and dated as of the date of the Final Prospectus, in form and content acceptable to the Agent, acting reasonably, relating to the verification of the financial information and accounting data contained in the Final Prospectus and to such other matters as the Agent may reasonably require;
 - (iii) at the Time of Closing, an updated Comfort Letter dated as of the Closing Date;
 - (iv) at the Time of Closing, such legal opinions (the "**Legal Opinions**") of the Company's various legal counsel, addressed to the Agent and dated as of the Closing Date in form and content acceptable to the Agent, acting reasonably, relating to the Company, the Prospectuses, the trade and distribution of the Shares, the Corporate Finance Fee Shares, and the Compensation Shares, without restriction, and to such other matters as the Agent may reasonably require;
 - (v) at the Time of Closing, a certificate of an officer (the "**Officer's Certificate**") of the Company, addressed to the Agent and dated as of the Closing Date in form and content acceptable to the Agent, acting reasonably, relating to the content of the Prospectuses, the Final Listing Application, and to the issuance of the Shares, the Corporate Finance Fee Shares, and the Compensation Shares; and
 - (vi) at the time of execution of the Final Prospectus and at the Time of Closing, such other materials (the "**Closing Materials**") as the Agent may reasonably require and as are customary in a transaction of this nature, and the Closing Materials will be addressed to the Agent and to such parties as may be reasonably directed by the Agent and will be dated as of the date of execution of the Final Prospectus and the Closing Date, respectively, or such other date as the Agent may reasonably require;
- (d) ensure that its senior officers are available to participate in the marketing of the Offering, including attendance at road-shows, investor meetings and assisting in the preparation of marketing material; and
- (e) from and including the date of this Agreement through to and including the Time of Closing, do all such acts and things necessary to ensure that all of the representations and warranties of the Company contained in this Agreement or any certificates or documents delivered by it pursuant to this Agreement remain materially true and correct and not do any such act or thing that would render any representation or warranty of the Company

contained in this Agreement or any certificates or documents delivered by it pursuant to this Agreement materially untrue or incorrect.

5.2 The Agent covenants and agrees with the Company that it will:

- (a) upon being satisfied, acting reasonably, that the Final Prospectus and any amendments thereto is in a form satisfactory for filing with the Commissions, execute the Final Prospectus and any amendments thereto, as the case may be, presented to the Agent for execution, and the Agent will use its reasonable commercially reasonable efforts to assist the Company in obtaining the requisite approvals of the Regulatory Authorities in connection with the preparation and filing of such documents;
- (b) conduct the Offering and perform all of its obligations hereunder in accordance with Applicable Securities Laws;
- (c) not, directly or indirectly, solicit offers to purchase or sell the Offered Shares or deliver any materials or documents so as to require registration of the Offered Shares or filing of a prospectus or registration statement with respect to the Offered Shares under the laws of any jurisdiction other than the Qualifying Jurisdictions;
- (d) deliver to each Purchaser a copy of the Prospectus in compliance with Applicable Securities Laws;
- (e) use its commercially reasonable efforts to complete the distribution of the Offered Shares as soon as practicable after the issuance of the Final Receipt; and
- (f) following the Closing Date, give prompt written notice to the Company when, in the Agent's opinion, the distribution of the Offered Shares has been completed.

6.0 CONDITIONS PRECEDENT

6.1 The following are conditions to the obligations of the Agent to complete the transactions contemplated in this Agreement:

- (a) the Offering being fully subscribed for;
- (b) all actions required to be taken by or on behalf of the Company, including the passing of all requisite resolutions of directors and shareholders of the Company, will have been taken so as to approve the Prospectuses and Listing Applications and to validly distribute the Shares, the Corporate Finance Fee Shares, the Compensation Options and to reserve and allot the Compensation Shares to be issued upon exercise of the Compensation Options and to such other matters as the Agent may reasonably require;
- (c) the Company will have made all filings with and obtained all receipts, approvals, consents and acceptances of the Regulatory Authorities for the Prospectuses and Listing Applications necessary to permit the Company to complete its obligations hereunder;
- (d) the Shares (including the Compensation Shares and the Corporate Finance Fee Shares) will have been conditionally listed for trading on the Exchange;

- (e) the Company will have, within the required time, delivered the required Comfort Letters, Legal Opinions, Officer's Certificates and other Closing Materials as the Agent may reasonably require;
- (f) no order ceasing or suspending trading in any securities of the Company, or ceasing or suspending trading by the directors, officers or promoters of the Company, or any one of them, or prohibiting the trade or distribution of any of the securities referred to herein will have been issued and no proceedings for such purpose, to the knowledge of the Company, will be pending or threatened;
- (g) no adverse Material Change will have occurred in the business of the Company prior to the Closing Date;
- (h) the Agent will have received from each director and officer of the Company lock-up agreements substantially in the form of Schedule "A" hereto;
- (i) the Company will have, at the Time of Closing, complied with all of its covenants and obligations to be complied with prior to the Time of Closing contained in this Agreement; and
- (j) the representations and warranties of the Company contained in this Agreement will be materially true and correct as of the Time of Closing as if such representations and warranties had been made as of the Time of Closing.

6.2 The Agent's obligations under this Agreement with respect to acting as agent for the purposes of the Offering are also conditional upon and subject to: (a) the Company allowing the Agent and its representatives to conduct all due diligence, which the Agent may reasonably require in connection with the Offering; and (b) prior to the filing of the Final Prospectus, the Agent's due diligence review not revealing any material adverse information or fact that is not generally known to the public that might, as determined in the sole discretion of the Agent, materially adversely affect the value or market price of the Offered Shares or the investment quality or marketability of the Offered Shares.

7.0 CLOSING

7.1 The closing ("**Closing**") of the transactions contemplated under this Agreement will be completed at the offices of the Company's counsel on such date (the "**Closing Date**") as may be agreed by the Company and the Agent in consultation with the Exchange, provided such date will be no later than:

- (a) 90 days after the date of the Final Receipt; and
- (b) unless a further amendment to the Final Prospectus is filed and a receipt is issued for the further amendment, if an amendment is filed and the Commissions have issued a receipt for the amendment in accordance with Multilateral Instrument 11-102 and National Policy 11-202, 90 days after the date of the receipt for the amendment, subject to a maximum of 180 days from the date of the Final Receipt, and provided, however, that if the Company has not been able to comply with any of the covenants or conditions set out herein required to be complied with by the Closing Date or such other date and time as may be mutually agreed to, the respective obligations of the parties will terminate without

further liability or obligation except for obligations of the Company with respect to the payment of Expenses and indemnity and contribution provided for in this Agreement.

7.2 At Closing, the Agent will deliver or cause to be delivered to the Company, one or more certified cheques, wire transfers or bank drafts made payable on the Closing Date to the Company in a total amount equal to the Net Proceeds of the Offering, subject to any written direction given by the Company to the Agent and accepted by the Agent.

7.3 At the Closing, upon payment of the Net Proceeds to the Company, the Company will deliver or cause to be delivered to the Agent, the following:

- (a) certificates in definitive form (or confirmation of issuance on a non-certificated basis) representing the Shares registered in the name of CDS or in such other name or names as the Agent may notify the Company in writing not less than 48 hours prior to the Time of Closing;
- (b) the requisite Comfort Letters, Legal Opinions, Officers' Certificates and other Closing Materials provided for in this Agreement;
- (c) a certificate or certificates in definitive form (or confirmation of issuance on a non-certificated basis) representing the Corporate Finance Fee Shares registered in the name of the Agent or in such name or names as directed by the Agent; and
- (d) a certificate or certificates representing the Compensation Options registered in the name of the Agent or in such name or names as directed by the Agent.

8.0 AGENT'S COMMISSION AND FEES

8.1 Upon Closing, the Company will pay the Agent:

- (a) a commission (the "**Agent's Fee**") equal to 10% of the gross proceeds realized from the Offered Shares sold pursuant to the Offering in cash; and
- (b) a non-refundable corporate finance fee (the "**Corporate Finance Fee**") of \$34,000 plus applicable taxes payable as follows:
 - (i) \$23,500 in cash; and
 - (ii) \$10,500 as Shares in the capital of the Company (the "**Corporate Finance Fee Shares**"), with each CF Share at a deemed price equal to the Offering Price.

8.2 As further consideration for the Agent assisting the Company in connection with the Offering, the Company will issue to the Agent (or to members of the Selling Group in such amounts as the Agent directs):

- (a) on the Closing Date, compensation options (the "**Compensation Options**"), entitling the Agent to acquire such number of common shares (the "**Compensation Shares**") as is equal to 10% of the number of Offered Shares sold pursuant to the Offering at a price of \$0.10 per Compensation Share for a period of 24 months following the Closing; and,

- (b) the terms governing the Compensation Options will be set out in the certificates representing the Compensation Options, the form of which will be subject to the approval of the Company and the Agent, acting reasonably, and will include provisions for the appropriate adjustment in the class, number and price of shares issuable upon exercise of the Compensation Options upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares, payment of stock dividends or amalgamation of the Company.

8.3 The issue of the Compensation Options will not restrict or prevent the Company from obtaining any other financing, nor from issuing additional securities or rights during the period within which the Compensation Options are exercisable.

8.4 The Compensation Options will be qualified by the Prospectuses.

8.5 The Agent hereby represents and warrants that (i) it is not a U.S. Person, (ii) it was not offered the Compensation Options within the United States, (iii) it did not execute this Agreement or otherwise place its order to acquire the Compensation Options from within the United States and (iv) the Compensation Options may not be exercised in the United States or by or on behalf of a U.S. Person, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable Securities Laws. The Company represents and warrants that the offer and sale of the Compensation Options has been and will be made in an "offshore transaction" within the meaning of Regulation S, and otherwise in compliance with Rule 903 of Regulation S.

8.6 If the Company is unable to issue to the Agent, for any reason, the Compensation Options as contemplated hereby, the Company agrees to pay the Agent such other compensation, as agreed to between the Company and the Agent, each acting reasonably, of comparable value to the Compensation Options.

9.0 AGENT'S EXPENSES

9.1 The Company will pay all expenses and fees in connection with the Offering, including, without limitation, all expenses of or incidental to the creation, issue, sale or distribution of the Offered Shares; the fees and expenses of the Company's counsel; all costs incurred in connection with the preparation of documents relating to the Offering; and all expenses and fees incurred by the Agents which shall include the reasonable fees and disbursements of the Agents' counsel, which legal fees shall not exceed \$20,000 without written approval by the Company (plus taxes and disbursements). In addition, the other expenses of the Agent shall not exceed \$3,000 without written approval by the Company. All fees and expenses incurred by the Agents or on their behalf shall be payable by the Company immediately upon receiving an invoice therefor from the Agent and shall be payable whether or not the Offering is completed (collectively, the "**Expenses**").

9.2 The Company will pay the Expenses referred to in Section 9.1 even if the Prospectus or this Agreement are not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed or this Agreement is terminated, unless the failure of acceptance or completion or the termination is the result of a breach of this Agreement by the Agent.

9.3 The Agent may, from time to time, render accounts for the Expenses to the Company for payment on or before the dates set out in the accounts.

9.4 The Company authorizes the Agent to deduct its expenses in connection with the Offering from the gross proceeds of the Offering and any advance payments made by the Company.

10.0 INDEMNITY

10.1 The Company hereby agrees to indemnify and save harmless the Agent and each of the members of the Selling Group, their respective affiliates and their respective directors, officers, employees, partners, agents and shareholders (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”) from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits), including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the “**Claims**”), which an Indemnified Party may incur or become subject to or otherwise involved in (in any capacity) insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the services provided pursuant to this Agreement, whether performed before or after the Company’s execution of the Agreement, and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim.

10.2 The indemnity in Section 10.1 will not be available to any Indemnified Party in relation to any losses, expenses, claims, actions, damages or liabilities incurred by the Company if they are determined by a court of competent jurisdiction in a final judgement that has become non-appealable to have resulted primarily from the Indemnified Party’s breach of this Agreement, gross negligence, fraud or wilful misconduct.

10.3 In the event and to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable determines that an Indemnified Party was grossly negligent, fraudulent or guilty of wilful misconduct in connection with a Claim in respect of which the Company has advanced funds to the Indemnified Party pursuant to the indemnity in Section 10.1, such Indemnified Party will reimburse such funds to the Company and thereafter the indemnity in Section 10.1 will not apply to such Indemnified Party in respect of such Claim. The Company agrees to waive any right the Company might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under the indemnity in Section 10.1.

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

10.5 No admission of liability and no settlement, compromise or termination of any Claim will be made without the Company’s consent and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld; provided, however, that no consent of an Indemnified Party will be required if the Company has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise or termination includes an unconditional release of each Indemnified Party from any liability arising out of such Claim without any admission of negligence,

misconduct, liability or responsibility by or on behalf of any Indemnified Party. Notwithstanding that the Company will undertake the investigation and defense of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to any Claim and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

- (a) employment of such counsel has been authorized in writing by the Company;
- (b) the Company has not assumed the defense of the action within a reasonable period of time after receiving notice of the claim;
- (c) the named parties to any such claim include both the Company and the Indemnified Party and the Indemnified Party will have been advised by counsel to the Indemnified Party that there may be a conflict of interest between the Company and the Indemnified Party; or
- (d) there are one or more defenses available to the Indemnified Party which are different from or in addition to those available to the Company;

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

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

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

11.0 ALTERNATIVE TRANSACTIONS

11.1 In the event that the Company withdraws from the Offering in order to complete an Alternative Transaction and such transaction is completed within 12 months of the withdrawal from the Offering, the Company will pay to the Agent promptly upon closing of the Alternative Transaction a fee equal to the maximum amount of fees otherwise payable under this Agreement calculated on the basis of the maximum offering of the Offered Shares proposed hereunder, including the Over-Allotment Option.

12.0 RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT

12.1 The Company hereby acknowledges that (i) the purchase and sale of the Offered Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the Agent, on the other, (ii) the Agent is acting as principal and not as an agent or fiduciary of the Company and (iii) the Company's engagement of the Agent in connection with the Offering and the process leading

up to the Offering is as an independent contractor and not in any other capacity. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether the Agent has advised or is currently advising the Company on related or other matters).

13.0 AGENT NOT FIDUCIARY

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

14.0 AGENT AS SECURITIES DEALER

14.1 The Company acknowledges that the Agent is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and financial advisory services and that in the ordinary course of its trading and brokerage activities, the Agent and its affiliates at any time may hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities of the Company, or any other company that may be involved in a transaction or related derivative securities.

14.2 The Agent acknowledges its responsibility to comply with applicable securities laws as they relate to trading securities with knowledge of a material fact or a material change that has not been generally disclosed. Further, the Agent has strict internal procedures, which provide for the placing of relevant securities on a "grey list" or a "restricted list" and for restrictions on trading by the Agent and its investment banking personnel for their own account in accordance with such procedures.

15.0 TERMINATION OF AGREEMENT

15.1 In addition to any other remedies which may be available to the Agent, this Agreement and any subscriptions for Offered Shares received by the Agent may be terminated by the Agent at any time up to Closing in the event that:

- (a) the Agent is not satisfied, in its sole discretion, acting reasonably, with its due diligence review and investigations;
- (b) the Company is in breach of, default under or non-compliance with any material term, condition or covenant of this Agreement or any material representation or warranty given by the Company in this Agreement becomes false;
- (c) the state of financial markets, whether national or international, is such that in the opinion of the Agent, it would be impractical or unprofitable to offer or continue to offer the Offered Shares for sale;
- (d) the Agent or the Agent's counsel, identify any undisclosed adverse information regarding the Company as a result of their due diligence investigations or otherwise that could

reasonably be expected to have a material adverse effect on the Company or an adverse effect on the Offering;

- (e) there is an inquiry or investigation (whether formal or informal) by any securities regulatory authority, including, without limitation, the Exchange, in relation to the Company or any one of its officers or directors that could be reasonably expected to have a material adverse effect on the Company;
- (f) there should develop, occur or come into effect any event of any nature, including without limitation, accident, act of terrorism, public protest, pandemic, governmental law or regulation which in the sole opinion of the Agent, as the case may be, seriously adversely affects or could reasonably be expected to seriously adversely affect the financial markets or the business, affairs, prospects or financial condition of the Company or its material properties as a whole or the market price of the common shares of the Company or value or marketability of the Offered Shares;
- (g) any condition will remain outstanding and uncompleted at any time after the time which it is required to be completed or waived;
- (h) an adverse Material Change in the affairs of the Company occurs or is announced by the Company;
- (i) any order to cease or suspend trading in the securities of the Company, including an order which would prohibit the trade or distribution of any of the securities referred to herein, or an order to cease or suspend trading by a director, officer or promoter of the Company, or any one of them, is issued by any competent regulatory authority and remains in effect for greater than 15 days; or
- (j) the Agent and the Company agree in writing to terminate this Agreement.

15.2 In addition, this Agreement may be terminated by either the Company or the Agent in the event that the Closing Date has not occurred within 12 months of the date of this Agreement.

15.3 The right of the Agent to terminate this Agreement is in addition to such other remedies any of the Purchasers may have in respect of any default, misrepresentation, act or failure to act of the Company in respect of any of the transactions contemplated by this Agreement.

15.4 Termination of this Agreement pursuant to this Section 15.0 will be effected by notice in writing to the Company at any time prior to the release of the Net Proceeds from escrow to the Company. Upon such notice being delivered, the Net Proceeds will be returned to the Agent by the Company (if they have been delivered to the Company or to its solicitors or to any party on its behalf) without set-off or deduction. In the event that the Agent terminates this Agreement after having been paid the Agent's Fee by the Company, it will repay the Agent's Fee (but not the Expenses or that part of the cash portion of the Corporate Finance Fee delivered to the Agent prior to the date hereof) to the Company forthwith.

16.0 PUBLIC DISCLOSURE

16.1 Neither the Company nor the Agent will make any public announcement in connection with the Offering, except if the other party has consented to such announcement or the announcement is required by Applicable Securities Laws.

16.2 In the event a public announcement must be made by either party in connection with the Offering, such party agrees to provide the other party with a reasonable opportunity to review a draft of the proposed announcement and to provide comments thereon prior to its publication.

17.0 GENERAL

17.1 Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement and any waiver by the parties of this Section 17.1 or any failure by them to exercise any of their rights under this Agreement will be limited to the particular instance and will not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

17.2 This Agreement constitutes the entire Agreement between the parties hereto in respect of the matters referred to herein and supersedes all previous negotiations, understandings and agreement between the parties and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein.

17.3 The headings in this Agreement are for reference only and do not constitute terms of the Agreement.

17.4 The provisions contained in this Agreement which, by their terms, require performance by a party to this Agreement subsequent to the Closing Date will survive the Closing Date of this Agreement.

17.5 No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement will be valid and binding upon the parties hereto unless such alteration, amendment, modification or interpretation is in writing executed by the parties hereto.

17.6 Whenever the singular or masculine is used in this Agreement the same will be deemed to include the plural or the feminine, neuter or the body corporate as the context may require.

17.7 The parties hereto will execute and deliver all such further documents and instruments and do all such acts and things as any party may, either before or after the Closing Date, reasonably require in order to carry out the full intent and meaning of this Agreement.

17.8 This Agreement may not be assigned by any party hereto without the prior written consent of all of the parties hereto.

17.9 This Agreement will be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia.

17.10 This Agreement may be signed by the parties in as many counterparts as may be deemed necessary, each of which so signed will be deemed to be an original, and all such counterparts together will constitute one and the same instrument.

17.11 All notices required to be given under this Agreement must be made in writing and either delivered or sent by electronic mail to the party to whom notice is to be given at the address below or at such other address designated by that party in writing:

- (a) in the case of the Company, be addressed and telecopied or delivered to:

Highrock Resources Ltd.
615 – 800 West Pender Street,
Vancouver, BC V6C 2V6

Attention: Gary Musil
Email: gmusil@outlook.com

with a copy to:

MTL Aikins LLP
2600 – 1066 W Hastings Street,
Vancouver, BC V6E 3X1

Attention: Kevin Sorochan
Email: ksorochan@mtlaikins.com

- (b) and in the case of the Agent, be addressed and telecopied or delivered to:

Haywood Securities Inc.
700 – 200 Burrard Street
Vancouver, BC V6C 3L6

Attention: Don Wong
Email: dwong@haywood.com

with a copy to:

Dentons Canada LLP
20th Floor – 250 Howe Street
Vancouver, BC V6C 3R8

Attention: Eric Lung
Email: eric.lung@dentons.com

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

[Remainder of page intentionally left blank.]

If the foregoing is in accordance with your understanding and agreed to by you, please signify your acceptance on the accompanying counterparts of this letter and return same to the Agent whereupon this letter as so accepted will constitute an agreement between the Company and the Agent enforceable in accordance with its terms.

Yours truly,

HAYWOOD SECURITIES INC.

Per: "Don Wong"
 Authorized Signatory

The foregoing is accepted and agreed to on the 2nd day of December 2022, effective as of the date appearing on the first page of this Agreement.

HIGHROCK RESOURCES LTD.

Per: "Gary Musil"
 Authorized Signatory

SCHEDULE A

FORM OF LOCK-UP AGREEMENT

_____, 2022

To: **HAYWOOD SECURITIES INC.** (the “**Agent**”)

Re: **HIGHROCK RESOURCES LTD.** (the “**Company**”)

Ladies and Gentlemen:

1. The undersigned understands that the Agent has entered into an agency agreement dated _____, 2022 (the “**Agency Agreement**”) with the Company in respect of an initial public offering (the “**Offering**”) of common shares of the Company.
2. Any capitalized terms used herein but not otherwise defined will have the meanings ascribed to them in the Agency Agreement.
3. In consideration of the benefit that the Offering will confer upon the Company, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees not to directly or indirectly, offer, sell, assign, pledge, transfer, or otherwise dispose of any Shares (or securities convertible into Shares) owned, directly or indirectly, or under control or direction, or with respect to which the undersigned has beneficial ownership, on the date hereof or acquired after the date hereof (the “**Undersigned’s Securities**”), in whole or in part, from the date hereof until the date which is 90 days following the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld. Any references in this lock-up agreement to the Undersigned’s Securities will also include any Shares received by the undersigned upon the exercise of the Undersigned’s Securities.
4. Notwithstanding the foregoing, the undersigned may sell, transfer or otherwise dispose of the Undersigned’s Securities without the prior written consent required by Section 3 above pursuant to: (i) the exercise of stock options or other similar issuances pursuant to any stock option plan or similar share compensation arrangements of the Company; (ii) the exercise of any convertible securities of the Company; (iii) a bona fide arm’s length take-over bid or a similar acquisition transaction made generally to all holders of Shares of the Company; (iv) a sale, transfer, or other disposition to (a) a spouse, parent, child or grandchild of the undersigned (a “**Relation**”), (b) corporations, partnerships, limited liability companies or other entities, to the extent that such entities are wholly-owned by the undersigned, or (c) any trusts existing solely for the benefit of the undersigned and/or a Relation, solely to the extent that in Sections 4(a), 4(b) and 4(c), the recipient of the Undersigned’s Securities executes an agreement stating that the transferee is receiving and holding such securities subject to the provisions of this lock-up agreement and there will be no further transfer of such securities except in accordance with this lock-up agreement; (v) a pledge of the Undersigned’s Securities to a bank or other financial institution for the purpose of giving collateral for a debt made in good faith, but solely to the extent that such bank or financial institution agrees in writing to be bound by the terms of this lock-up agreement and there will be no further transfer of such securities except in accordance with this lock-up agreement; or (vi) in order to satisfy a withholding tax obligation arising from a grant under the Company’s stock option plan or share-based compensation plan.
5. The undersigned understands that the Company and the Agent are relying upon this lock-up agreement in proceeding toward consummation of the Offering. The undersigned further understands that

this lock-up agreement is irrevocable and will be binding upon the undersigned's legal representatives, successors, and permitted assigns, and will enure to the benefit of the Company, the Agent and their legal representatives, successors and permitted assigns.

6. The undersigned hereby represents and warrants that he or she has full power and authority to enter into this lock-up agreement, and that he or she will do all such acts and take all such steps as reasonably required in order to fully perform and carry out the provisions of this lock-up agreement. All authority herein conferred will survive the death or incapacity of the undersigned.

7. This lock-up agreement will be governed by the laws of the Province of British Columbia and the laws of Canada applicable therein.

8. This lock-up agreement may be executed by counterpart signatures (including counterparts by facsimile or other means of electronic transmission), each of which will constitute an original signature.

[Remainder of page intentionally left blank.]

Yours truly,

NAME OF SECURITYHOLDER:

(Signature of Securityholder)

(Signature of Witness)

Number and type of securities of the
Company subject to this lock-up agreement:

Haywood Securities Inc. hereby acknowledges this lock-up agreement this _____ day of _____, 2022.

HAYWOOD SECURITIES INC.

Per: _____
Authorized Signing Officer