

## CAPITAL POOL COMPANY

### AGENCY AGREEMENT

THIS AGREEMENT is dated for reference the 28<sup>th</sup> day of September, 2018.

BETWEEN:

**BMGB CAPITAL CORP.**, Suite 600, 1090 West Georgia Street, Vancouver, BC  
V6E EV7

(the “**Issuer**”)

AND:

**HAYWOOD SECURITIES INC.**, 200 Burrard Street, Suite 700, Waterfront  
Centre, Vancouver, BC V6C 3L6

(the “**Agent**”)

### BACKGROUND

- A. The Issuer wishes to raise money for the purposes set described in the Prospectus, by offering for sale the Shares in the Selling Jurisdictions;
- B. The Issuer has agreed to file the Prospectus in accordance with the Securities Acts in order to qualify the distribution of the Shares and the Agent’s Option in the Selling Jurisdictions;
- C. The Issuer wishes to appoint the Agent to solicit subscriptions for those securities and the Agent is willing to accept such appointment on the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

#### 1. DEFINITIONS

1.1 In this Agreement, including the recitals above:

- (a) “**Agent’s Commission**” has the meaning set out in section 4.1(a);
- (b) “**Agent’s Option**” has the meaning set out in section 4.1(b);
- (c) “**Agent’s Option Shares**” has the meaning set out in section 4.1(b);
- (d) “**Certificates**” means the certificates representing the Shares and the Agent’s Option in the names and denominations requested by the Agent;

- (e) “**Closing Date**” means the date on which the Offering closes, as agreed to by the Issuer and the Agent;
- (f) “**Commissions**” means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission;
- (g) “**Common Shares**” means common shares in the capital of the Issuer;
- (h) “**Corporate Finance Fee**” has the meaning set out in section 4.1(c);
- (i) “**Effective Date**” means the date on which the receipt for the Final Prospectus is issued by the Principal Regulator;
- (j) “**Exchange**” means the TSX Venture Exchange Inc.;
- (k) “**Final Prospectus**” means the final prospectus filed or intended to be filed by the Issuer with the Regulatory Authorities in connection with the Offering and any amendments to it which may be filed with the Regulatory Authorities;
- (l) “**Indemnified Parties**” has the meaning set out in section 12.1 and “**Indemnified Party**” means any one of them;
- (m) “**Indemnifying Party**” has the meaning set out in section 12.1;
- (n) “**Material Change**” has the meaning set out in the Securities Acts;
- (o) “**Material Fact**” has the meaning set out in the Securities Acts;
- (p) “**Misrepresentation**” has the meaning set out in the Securities Acts;
- (q) “**Offering**” means the offering of Shares under the Prospectus;
- (r) “**Offering Period**” means the 90 day period following the date of the receipt for the Final Prospectus issued by the Principal Regulator, or, if there is an amendment to the Final Prospectus, the 90 day period following the date of issuance of the receipt of the amendment to the Final Prospectus if such period does not exceed 180 days from the date of receipt for the Final Prospectus;
- (s) “**Offering Price**” means \$0.10 per Share;
- (t) “**Personnel**” has the meaning set out in section 12.7;
- (u) “**Preliminary Prospectus**” means the preliminary prospectus filed or intended to be filed by the Issuer with the Regulatory Authorities in connection with the Offering and any amendments to it which may be filed with the Regulatory Authorities;
- (v) “**Principal Regulator**” means the British Columbia Securities Commission;

- (w) “**Proceeds**” means the gross proceeds of the Offering, less:
  - (i) the Agent’s Commission;
  - (ii) the Corporate Finance Fee and applicable taxes thereon; and
  - (iii) the expenses of the Agent in connection with the Offering payable pursuant to Section 11 which have not been paid by the Issuer;
- (x) “**Prospectus**” means both the Preliminary Prospectus and the Final Prospectus;
- (y) “**Qualifying Transaction**” has the meaning set out in Exchange Policy 2.4;
- (z) “**Regulatory Authorities**” means the Commissions and the Exchange;
- (aa) “**Securities**” means the Shares, the Agent’s Option and the Agent’s Option Shares;
- (bb) “**Securities Acts**” means the *Securities Act* (British Columbia), the *Securities Act* (Alberta), and the *Securities Act* (Ontario) and the regulations, rulings and orders made thereunder and all policy statements, blanket orders, notices, rulings and directions issued by the Commissions, all as amended;
- (cc) “**Selling Jurisdictions**” means British Columbia, Alberta and Ontario; and
- (dd) “**Shares**” means 2,500,000 Common Shares issued under the Offering.

## 2. APPOINTMENT OF AGENT

- 2.1 The Issuer appoints the Agent as its exclusive agent and the Agent accepts the appointment and agrees to act as the exclusive agent of the Issuer to offer, on a commercially reasonable efforts basis, the Shares for sale under the Prospectus in the Selling Jurisdictions at the Offering Price. The Agent shall use its commercially reasonable efforts to sell the Shares but it is understood and agreed that the Agent shall act as agent only and is under no obligation to purchase any Shares under the Offering.

## 3. LISTING APPLICATION AND CONDUCT OF THE OFFERING

- 3.1 Prior to the Effective Date, the Issuer will apply to the Exchange for a conditional listing of the Common Shares.
- 3.2 The Offering will be made in accordance with the rules and policies of the Regulatory Authorities and the Securities Acts and is subject to the Offering being attained.
- 3.3 Following the Effective Date and after consulting with the Exchange, the Issuer and the Agent will set the Closing Date, which will be on or before the last day of the Offering Period.

3.4 After the Offering has been completed, the Issuer and the Agent will file any documents required by the Exchange in order to remove the conditional listing and to permit the Common Shares to commence trading on the Exchange.

3.5 The Agent will advise the Issuer and its counsel when the distribution of Shares under the Prospectus is complete.

#### 4. **AGENT'S COMPENSATION**

4.1 On the Closing Date, the Issuer will:

- (a) pay the Agent a cash commission (the "**Agent's Commission**") equal to 7.5% of the gross proceeds of the sale of Shares by the Agent;
- (b) issue to the Agent a non-transferable option (the "**Agent's Option**") entitling the holder to acquire such number of Common Shares (the "**Agent's Option Shares**") as is equal to 10% of the number of Shares sold under the Offering for a period of two years from the day the Common Shares are listed on the Exchange at an exercise price of \$0.10 per Agent's Option Share; and
- (c) pay to the Agent a corporate finance fee (the "**Corporate Finance Fee**") in the amount of \$8,000 (plus applicable taxes).

4.2 If the Agent retains subagents or receives subscriptions from subagents, the Agent, in its sole discretion, may pay them a fee as may be agreed among them, but in no event shall the Issuer be required to pay any amounts in excess of those referred to in this Agreement.

4.3 The Agent's Option will be qualified for distribution under the Prospectus and will include, among other things, provisions for the appropriate adjustment in the class, number and price of the shares to be issued under the Agent's Option upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares, the payment of stock dividends or the amalgamation of the Issuer.

4.4 The issuance of the Agent's Option will not restrict or prevent the Issuer from issuing additional securities or rights during the term of the Agent's Option.

4.5 The Agent will, on the Closing Date, deliver to the Issuer a written description and reconciliation of its expenses deducted from the gross proceeds of the Offering.

#### 5. **CLOSING**

5.1 If the Issuer has satisfied all of its obligations under this Agreement, the Agent will, on the Closing Date, pay the Proceeds to the Issuer against either physical delivery of the Certificates or confirmation that the securities represented by the Certificates have been transferred to the Agent electronically, as requested by the Agent.

## **6. OPINIONS AND CERTIFICATES**

- 6.1 On the Closing Date, the Issuer will provide the Agent and its counsel with an opinion of counsel (and local counsel in the Selling Jurisdictions as requested by the Agent) for the Issuer, dated as of the Closing Date and addressed to the Agent and its counsel, relating to any legal matter in connection with the Prospectus and Offering for which the Agent may request an opinion, acting reasonably, and a certificate of the Issuer, dated as of the Closing Date and signed by the Chief Executive Officer and Chief Financial Officer of the Issuer, certifying certain facts relating to the Issuer and its affairs.

## **7. MATERIAL CHANGES**

- 7.1 If, after the Final Prospectus is first filed with the Regulatory Authorities but before the conclusion of the distribution of all the Shares under the Prospectus, a Material Change occurs in the affairs of the Issuer (or if an adverse Material Change occurs in the affairs of the Issuer after the Preliminary Prospectus is first filed with the Regulatory Authorities), the Issuer will:
- (a) notify the Agent immediately, in writing, with full particulars of the change;
  - (b) file with the Regulatory Authorities as soon as practicable, and in any event no later than 10 days after the Material Change occurs, an amendment to the Prospectus disclosing the Material Change or adverse Material Change, as the case may be; and
  - (c) provide as many copies of the amendments to the Agent as the Agent may reasonably request.

## **8. TERMINATION**

- 8.1 The Agent may without liability in its sole discretion terminate its obligations under this Agreement by written notice to the Issuer on or before the Closing Date if at any time prior to the Closing Date:
- (a) in the opinion of the Agent, acting reasonably, there shall have occurred any Material Change or change in Material Fact in relation to the Issuer or there shall be discovered any previously undisclosed Material Fact in each case which would be expected to result in a material adverse change in relation to the Issuer or have a material adverse effect on the market price or value of the Common Shares;
  - (b) any inquiry, action, investigation or other proceeding (whether formal or informal) is made, announced or threatened or any order is issued by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency, regulatory authority or other instrumentality including, without limitation, the Exchange or any other exchange or quotation or any securities regulatory authority involving the Issuer's securities, directors or officers (except for any inquiry, action,

investigation or other proceeding based upon activities of the Agent and not upon activities of the Issuer) or any law or regulation is enacted or changed, which, in the opinion of the Agent, acting reasonably, prevents or restricts trading in or the distribution of the securities of the Issuer or the Securities or materially and adversely affects or might reasonably be expected to materially and adversely affect the market price or value of the securities of the Issuer or the Securities;

- (c) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including terrorism) or any law or regulation which, in the opinion of the Agent, acting reasonably, materially adversely affects or involves, or might reasonably be expected to materially adversely affect or involve, the financial markets or the business, operations or affairs of the Issuer and its subsidiaries, taken as a whole;
- (d) the Agent becomes aware of, as a result of its due diligence review or otherwise, of any material adverse change, or a change in any Material Fact or any Material Fact with respect to the Issuer (in the sole opinion of the Agent, acting reasonably) which has not been disclosed to the Agent prior to the date hereof, or the Agent is not satisfied, acting reasonably, with the results of its due diligence review in respect of the Issuer, its securities, assets or operations, the tax attributes of any of the securities of the Issuer or the Securities or otherwise;
- (e) the Issuer is in breach of any term, condition or covenant of this Agreement or any representation or warranty given by the Issuer in this Agreement becomes or is false; or
- (f) if the state of financial markets in Canada or elsewhere where it is planned to market the Securities is such that, in the reasonable opinion of the Agent, the Securities cannot be marketed profitably or successfully.

8.2 Unless otherwise agreed to by the parties, this Agreement will terminate if a receipt for the Final Prospectus is not issued by the Principal Regulator within 120 days of the date of this Agreement.

## **9. PROSPECTUS**

9.1 The Issuer has caused the Preliminary Prospectus and will cause the Final Prospectus to be filed with the Regulatory Authorities, will deliver all necessary copies of the Prospectus to the Regulatory Authorities and will use its commercially reasonable efforts to have the Prospectus accepted by the Regulatory Authorities and the Principal Regulator issue a receipt for the Preliminary Prospectus and the Final Prospectus.

9.2 The Issuer will provide the Agent with as many copies of the Prospectus as the Agent may reasonably request.

- 9.3 Delivery of the Prospectus and any amendment thereto will constitute a representation and warranty by the Issuer to the Agent that all information and statements (except information and statements supplied by and relating solely to the Agent) contained in the Prospectus and any amendment thereto are true and correct in all material respects at the time of delivery thereof and contain no Misrepresentations and constitute full, true and plain disclosure of all Material Facts relating to the Issuer and the Shares and that no Material Fact or material information has been omitted therefrom (except facts or information supplied by and relating solely to the Agent) which is required to be stated therein or is necessary to make statements of information contained therein not misleading in light of the circumstances under which they were made. Such delivery will also constitute the Issuer's consent to the Agent's use of the Prospectus, any amendment thereto and any other documents supplied to the Agent by the Issuer for the purpose of the sale of Shares in the Selling Jurisdictions in compliance herewith and with the Securities Acts.
- 9.4 The Agent will deliver to each purchaser a copy of the Prospectus sufficiently in advance of the Closing Date such that all withdrawal rights under the applicable securities laws will have expired by the Closing Time, unless the Issuer requests that the Agent set a Closing Date in advance of the expiration of such withdrawal rights.

## **10. WARRANTIES, REPRESENTATIONS AND COVENANTS**

- 10.1 The Issuer covenants, represents and warrants to the Agent that:
- (a) all information and other data relating to the Issuer furnished by or on behalf of the Issuer in writing to the Agent is, or, in the case of historical information, was at the date of preparation true, accurate, complete and correct in all material respects, and does not or did not, as the case may be, contain any Misrepresentation;
  - (b) the Issuer has been duly incorporated and organized and is validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business;
  - (c) the Issuer does not own or have any interest in any assets or property of any kind whatsoever, other than cash or deposits with financial institutions;
  - (d) the Issuer currently carries on business as a capital pool company, as contemplated by Exchange policies, and has complied with and will continue to comply with the requirements of Exchange policies until it completes a Qualifying Transaction;
  - (e) the Prospectus contains full, true and plain disclosure of all Material Facts in relation to the Issuer, its business and its securities, and contains no Misrepresentation;
  - (f) the financial statements of the Issuer which form part of the Prospectus have been prepared in accordance with International Financial Reporting Standards, accurately reflect the financial position of the Issuer and all material liabilities

- (accrued, absolute, contingent or otherwise) of the Issuer as at the date of the financial statements, and there has been no adverse Material Changes in the financial position of the Issuer since that date, except as fully and plainly disclosed in the Prospectus;
- (g) the authorized and outstanding share capital of the Issuer is as set forth in the Prospectus, all outstanding shares will have been issued as fully paid and non-assessable and the only outstanding options, warrants or other rights to acquire any shares or other securities of the Issuer is as set forth in the Prospectus;
  - (h) the Issuer is not in default or breach of, and the execution and delivery of, and the performance and compliance with the terms of this Agreement does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, in any material respect, any term or provisions of the articles, by-laws, or resolutions of the Issuer, or any indenture, agreement (written or oral), lease or other document to which the Issuer is a party or by which it is bound, or any judgment, decree or order, or to its knowledge, statute, rule or regulation applicable to the Issuer, which default or breach might reasonably be expected to materially adversely affect the business, operations, assets, capital or condition (financial or otherwise) of the Issuer;
  - (i) this Agreement is a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to the laws relating to creditors' rights generally and equitable remedies and except to the extent that the enforcement of rights to indemnity and waiver of contribution may be limited by applicable law;
  - (j) the Issuer has full corporate authority and capacity to issue the Securities and:
    - (i) on the Closing Date, the Shares will be duly and validly authorized and issued as fully paid and non-assessable;
    - (ii) on the Closing Date, the Agent's Option will be duly and validly created, authorized and issued; and
    - (iii) the Agent's Option Shares will be issued as fully paid and non-assessable upon exercise of the Agent's Option in accordance with its terms;
  - (k) no consent of any third party is required in connection with the transactions contemplated by this Agreement, except the consent of the Exchange and except to the extent that this Agreement contemplates obtaining receipts for the Prospectus;
  - (l) no litigation, administrative proceeding, arbitration or other proceeding before or of any court, tribunal, arbitrator or regulatory or other governmental body or dispute with any regulatory or other governmental body is presently in



process or, to the best of the knowledge and information of the Issuer, pending or threatened against the Issuer which, if determined adversely to the Issuer might have a material adverse effect on the financial condition, results of operations, business or prospects of the Issuer, or which would materially impair the ability of the Issuer to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations herein;

- (m) the Issuer has conducted its activities in connection with the Offering in compliance with all applicable laws and regulatory requirements;
- (n) the Issuer shall not reject any subscription for Shares tendered by the Agent, unless all such subscriptions tendered exceed the maximum number of Shares offered pursuant to the Offering;
- (o) there is not presently, and will not be until the conclusion of the distribution under the Prospectus, any Material Change or change in any Material Fact relating to the Issuer, its business or its securities which has not been or will not be fully disclosed in the Prospectus or otherwise to the Agent;
- (p) other than the Agent, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finder's fee in connection with the transactions described herein; and
- (q) the Shares will be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts and deferred profit sharing plans (other than deferred profit sharing plans for which the employer is the Issuer or a corporation with which the Issuer does not deal at arms' length), subject to the specific provision of any particular plan.

10.2 The Agent warrants, represents and covenants to the Issuer that:

- (a) it is a valid and subsisting corporation under the laws of the jurisdiction in which it was organized;
- (b) this Agreement has been authorized by all necessary corporate action on the part of the Agent and is a valid and binding obligation of the Agent enforceable in accordance with its terms;
- (c) it is duly registered under all applicable securities laws to sell the Shares in the Selling Jurisdictions;
- (d) it is a member in good standing of the Exchange;
- (e) it will deliver to the Issuer, on or prior to the Closing Date, a Distribution Summary Statement as required by subsection 3.2 of Policy 2.3 of the Exchange; and

- (f) it has complied with and will fully comply with the requirements of all applicable securities laws, including, without limitation, the by-laws and rules of the Exchange in relation to trading in the Shares and all matters relating to the Offering.

## 11. EXPENSES OF AGENT

- 11.1 The Issuer will pay all of the reasonable expenses of the Offering and all the expenses reasonably incurred by the Agent in connection with the Offering including, without limitation, travel expenses, searches and other costs incurred by the Agent to complete the due diligence process, as well as reasonable fees and disbursements of the solicitors for the Agent. The Agent acknowledges receiving a retainer of \$10,000, which amount will be applied against such expenses.
- 11.2 The Issuer will pay the expenses referred to in section 11.1 even if the Prospectus and this Agreement are not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed, or this Agreement is terminated, unless the failure of acceptance or completion or the termination is the result of a breach of this Agreement by the Agent.
- 11.3 The Agent may, from time to time, render accounts for its expenses to the Issuer for payment on or before the dates set out in the accounts.
- 11.4 The Issuer authorizes the Agent to deduct its reasonable expenses in connection with the Offering from the proceeds of the Offering, including expenses for which an account has not yet been rendered to the Issuer upon delivery to, and review by, the Issuer of the account, such authorization not to be unreasonably withheld.

## 12. INDEMNITY AND CONTRIBUTION

- 12.1 The Issuer and its subsidiaries or affiliated companies, as the case may be (collectively, the “**Indemnifying Party**”) hereby agree to indemnify and hold harmless the Agent and each of its sub-agents, each of its subsidiaries and affiliates, and each of its directors, officers, shareholders, partners, advisors, employees and agents (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”), to the full extent lawful, from and against any and all expenses, losses, claims, actions, damages and liabilities, whether joint or several, (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party) to which any Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, actions, damages or liabilities relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of services rendered to the Indemnifying Party by the Agent under this Agreement or otherwise in connection with the matters referred to in this Agreement.

- 12.2 Notwithstanding the foregoing, this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such expenses, losses, claims, actions, costs, damages or liabilities to which the Indemnified Party may be subject were caused by the negligence or wilful misconduct of the Indemnified Party.
- 12.3 The Indemnifying Party also agrees that no Indemnified Party will have any liability (either direct or indirect, in contract or tort or otherwise) to the Indemnifying Party or any person asserting claims on the Indemnifying Party's behalf or in right for or in connection with the performance of services rendered to the Indemnifying Party by the Agent, except to the extent that any expenses, losses, claims, actions, costs, damages or liabilities incurred by the Indemnifying Party are determined by a court of competent jurisdiction in a final judgement that has become non-appealable to have resulted from the negligence or willful misconduct of such Indemnified Party.
- 12.4 If for any reason (other than a determination as to any of the events referred to in section 12.2 herein) the foregoing indemnification is unavailable to the Agent or any other Indemnified Party or is insufficient to hold the Agent or any other Indemnified Party harmless, the Indemnifying Party shall contribute to the amount paid or payable by the Agent or any other Indemnified Party as a result of such expense, loss, claim, action, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Party on the one hand and the Agent or any other Indemnified Party on the other hand but also the relative fault of the Indemnifying Party, the Agent or any other Indemnified Party as well as any relevant equitable considerations; provided that the Indemnifying Party shall in any event contribute to the amount paid or payable by the Agent or any other Indemnified Party as a result of such expense, loss, claim, action, damage or liability any amount in excess of the fees actually received by the Agent under this Agreement.
- 12.5 Promptly after receiving notice of an action, suit, proceeding or claim against the Agent or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnifying Party, an Indemnified Party will notify the Indemnifying Party in writing of the particulars thereof and will provide copies of all relevant documentation to the Indemnifying Party and, the Indemnifying Party shall undertake the investigation and defence thereof on behalf of the Agent or the Indemnified Party, as applicable, including the prompt employment of counsel reasonably acceptable to the Agent or the Indemnified Party affected and the payment of all reasonable expenses and throughout the course of any investigation or legal proceeding as contemplated herein, the Indemnifying Party will provide copies of all relevant documentation to the Agent and the Indemnified Party, will keep the Agent and the Indemnified Party advised of the progress thereof and will discuss with the Agent and the Indemnified Party all significant actions proposed. The omission of an Indemnified Party to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability which the Indemnifying Party may have to the Agent or any other Indemnified Party except only to the extent that any such delay in or failure to give notice as herein required prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability

which the Indemnifying Party would otherwise have under this indemnity had an Indemnified Party not so delayed in or failed to give the notice required hereunder.

- 12.6 Notwithstanding that the Indemnifying Party shall undertake the investigation and defence of any action, any Indemnified Party shall have the right, at the Indemnifying Party's expense, to employ separate counsel of such Indemnified Party's choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (a) the employment of such counsel has been authorized by the Indemnifying Party; or (b) the Indemnifying Party has not assumed the defence and employed counsel therefor within 5 days after receiving notice of such action, suit, proceeding, claim or investigation; or (c) counsel retained by the Indemnifying Party or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate because there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnifying Party (in which event and to that extent, the Indemnifying Party shall not have the right to assume or direct the defence on the Indemnified Party's behalf) or that there is a conflict of interest between the Indemnifying Party and the Indemnified Party or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Indemnifying Party shall not have the right to assume or direct the defence on the Indemnified Party's behalf). Notwithstanding any other provision of this indemnity, any Indemnified Party shall have the right, at such Indemnified Party's expense, to employ counsel of such Indemnified Party's choice, in respect of the defence of any action, suit, proceeding, claim or investigation, and such employment shall not relieve the Indemnifying Party from its obligations to undertake the investigation and defence of any action, suit, proceeding, claim or investigation unless such Indemnified Party consents, in writing, to such relief.
- 12.7 The Indemnifying Party agrees that in case any legal proceeding shall be brought against the Indemnifying Party and/or the Agent or any other Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnifying Party and/or the Agent or any other Indemnified Party and the Agent or such other Indemnified Party shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of this Agreement, the engagement of the Agent hereunder, or the performance of services rendered to the Indemnifying Party by the Agent hereunder, the Agent or such other Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by its, or any of its affiliates, directors, officers, employees, partners or agents (collectively, "**Personnel**") in connection therewith) and out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Indemnifying Party as they occur.
- 12.8 No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Parties affected, such consent not to be unreasonably withheld. No admission of liability shall be made

and the Indemnifying Party shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent, such consent not to be unreasonably withheld.

- 12.9 The Indemnifying Party hereby acknowledges that the Agent acts and appoints the Agent, as trustee for the other Indemnified Parties of the Indemnifying Party'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.
- 12.10 The Indemnifying Party hereby agrees to waive any right it may have of first requiring the Indemnified Parties to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming under this indemnity.
- 12.11 The indemnity and contribution obligations of the Indemnifying Party hereunder shall be in addition to any liability which the Indemnifying Party may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnifying Party, the Agent and any other Indemnified Party. The foregoing provisions shall survive the completion of services rendered under this Agreement or any termination of this Agreement.

### **13. ASSIGNMENT AND SELLING GROUP PARTICIPATION**

- 13.1 The Agent will not assign this Agreement or any of its rights under the Agreement nor, with respect to the Securities, enter into any agreement in the nature of an option or a sub-option unless and until, for each intended transaction, the Agent has obtained the written consent of the Issuer and notice has been given to and accepted by the Regulatory Authorities.
- 13.2 The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investment dealers, who may or who may not be offered part of the commissions or securities to be received by the Agent pursuant to this Agreement. In no event shall the Issuer be required to pay a fee in excess of the Agent's Commission, the Corporate Finance Fee or the Agent's Option in respect of such subscriptions.

### **14. NOTICE**

- 14.1 Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and may be given by delivering it or sending it by facsimile or electronic mail to the following address:

- (a) If to the Agent:

Haywood Securities Inc.  
200 Burrard Street, Suite 700, Waterfront Centre  
Vancouver, BC V6C 3L6

Email: [dwong@haywood.com](mailto:dwong@haywood.com)  
Attention: Mr. Don Wong

with a copy to:

Getz Prince Wells LLP  
Suite 530, 355 Burrard Street  
Vancouver, BC V6C 2G8

Email: [zahra@getzpw.com](mailto:zahra@getzpw.com)  
Attention: Ms. Zahra Ramji

(b) If to the Issuer:

BMGB Capital Corp.  
Suite 600, 1090 West Georgia Street  
Vancouver, BC V6E 3V7

Email: [lucasbirdsall@gmail.com](mailto:lucasbirdsall@gmail.com)  
Attention: Mr. Lucas Birdsall, CEO

with a copy to:

Beadle Raven LLP  
Suite 600-1090 West Georgia Street  
Vancouver, BC V6E 3V7

Email: [mraven@beadleraven.com](mailto:mraven@beadleraven.com)  
Attention: Mr. Michael Raven

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

- 14.2 If notice is mailed, it will be deemed to have been received 72 hours following the date of mailing.
- 14.3 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or during the 72 hours immediately after the time a notice is mailed, the notice will be sent by facsimile transmission or will be delivered.

## **15. TIME**

- 15.1 Time is of the essence of this Agreement.

## **16. SURVIVAL**

- 16.1 The representations, warranties, covenants and indemnities of the parties contained in this Agreement will survive the closing of the Offering.

**17. LANGUAGE**

17.1 This Agreement is to be read with all changes in gender and number as required by the context.

**18. ENTIRE AGREEMENT**

18.1 This Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes any prior agreements with respect thereto between the Issuer and the Agent, including, without limitation, the letter of engagement between the Issuer and the Agent dated June 1, 2018.

**19. ENUREMENT**

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

**20. HEADINGS**

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

**21. LAW**

21.1 This Agreement will be governed by, subject to and interpreted in accordance with the laws prevailing in the Province of British Columbia and the federal laws of Canada applicable therein, and the courts of the Province of British Columbia will have exclusive jurisdiction over any dispute arising in connection with this Agreement.

**22. COMMUNICATION WITH PUBLIC**

22.1 All press releases and publicly available filings in respect of this Agreement or any other related instrument or with respect to the relationship between the Issuer and the Agent made by the Issuer will be approved by the Agent, acting reasonably.

**23. COUNTERPARTS**

23.1 This Agreement may be executed in as many counterparts as may be necessary and delivered by facsimile or other means of electronic reproduction and such counterparts together will constitute one and the same instrument and notwithstanding the date of execution will be deemed to bear the date as of the day and year first above written.

THE PARTIES, intending to be contractually bound, have executed this Agreement as of the date first above written.

**BMGB CAPITAL CORP.**

By:

*“Lucas Birdsall”*  
Authorized Signatory

**HAYWOOD SECURITIES INC.**

By:

*“Don Wong”*  
Authorized Signatory