

## AGENCY AGREEMENT

Dated effective as of October 15, 2018

**Pulse Oil Corp.**

Suite 500, 666 Burrard Street  
Vancouver, British Columbia  
V6C 3P6

**Attention: Garth Johnson, Chief Executive Officer**

Dear Sirs:

**Re: Issue and Sale of Units and Flow-Through Shares**

Mackie Research Capital Corporation as sole agent (the "**Agent**") understands that Pulse Oil Corp. (the "**Corporation**") proposes to issue and sell:

- (i) up to 14,285,700 units (the "**Units**") of the Corporation (the "**Initial Units**") at a price of \$0.21 per Unit (the "**Unit Offering Price**") for aggregate gross proceeds to the Corporation of up to \$2,999,997 (the "**Unit Offering**"); and
- (ii) up to 11,363,600 common shares of the Corporation (the "**Flow-Through Shares**") issued on a "flow-through" basis in respect of Canadian exploration expense under the *Income Tax Act* (Canada) (the "**Tax Act**") at a price of \$0.22 per Flow-Through Share (the "**Flow-Through Offering Price**") for aggregate gross proceeds to the Corporation of up to \$2,499,992 (the "**Flow-Through Offering**" and, together with the Unit Offering, the "**Offering**").

The Initial Units, the Flow-Through Shares, the Option Units (as defined herein), the Underlying Shares (as defined herein) and Underlying Warrants (as defined herein), and any Warrant Shares (as defined herein) issuable pursuant to the exercise of any Underlying Warrants are hereinafter referred to collectively as the "**Offered Securities**".

We also understand that the Corporation has prepared and filed the Preliminary Prospectus (as defined herein) and is eligible to file and will prepare and file the Amended Preliminary Prospectus (as defined herein) reflecting the Offering terms set forth herein and the Prospectus (as defined herein) and all related documents in order to qualify the Offered Units (as defined herein), the Flow-Through Shares, the Underlying Shares, the Underlying Warrants and the Warrant Shares for distribution to the public in each of the Qualifying Provinces (as defined herein).

Upon and subject to the terms and conditions contained in this Agreement, the Agent hereby agrees to act as, and the Corporation hereby appoints the Agent as, the sole and exclusive agent of the Corporation to offer:

- (a) the Initial Units, at the Unit Offering Price; and
- (b) the Flow-Through Shares, at the Flow-Through Offering Price,

and to use their commercially reasonable efforts to secure subscriptions therefor. The Corporation acknowledges and agrees that the Agent is not obligated to purchase any of the Initial Units or Flow-Through Shares as principal.

The Corporation hereby grants to the Agent a non assignable option (the "**Over-Allotment Option**"), which may be exercised in the Agent's sole discretion and without obligation, exercisable in whole or in part and in one or more tranches at any time and from time to time commencing on the Closing Date and prior to 5:00 p.m. (Calgary time) on the date that is 30 days after the Closing Date, by written notice delivered to the Corporation by the Agent, to offer for sale up to an additional 2,142,855 Units (the "**Option Units**") on the same terms and conditions as the Initial Units. The Initial Units together with any Option Units are collectively referred to herein as the "**Offered Units**" and any reference to "Offered Units" or term incorporating or including "Offered Units" shall be deemed to also include the Underlying Shares and Underlying Warrants underlying such Offered Units. In the event and to the extent that the Agent exercises the Over-Allotment Option, subject to the terms and conditions hereof, the Agent hereby agrees to sell the number of Option Units as to which the Over-Allotment Option shall have been exercised and the Corporation hereby agrees to issue and sell such number of Option Units at the Unit Offering Price.

Each Unit will consist of one Common Share (as defined herein) (an "**Underlying Share**") and one half of one Common Share purchase warrant of the Corporation (an "**Underlying Warrant**"). Each Underlying Warrant shall be issued pursuant to and subject to the terms of a warrant indenture (the "**Warrant Indenture**") to be entered into between the Corporation and Computershare Trust Company of Canada (or such other qualified person as may be agreed by the Corporation and the Agent). Each Underlying Warrant shall entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at an exercise price of \$0.30 per Warrant Share at any time before 4:00 p.m. (Vancouver time) on the date that is 24 months following the Closing Date.

The Agent understands that the Corporation has prepared and filed the Preliminary Prospectus with the Securities Commissions (as defined herein) in the Qualifying Provinces pursuant to NP 11-202 (as defined herein) and has obtained the decision document in respect of the Preliminary Prospectus. The Agent will distribute the Offered Securities in Canada pursuant to the Prospectus in the manner contemplated by this Agreement. Subject to applicable law, including the Applicable Securities Laws (as hereinafter defined), and the terms of this Agreement, the Offered Securities may also be distributed on an exempt basis in other jurisdictions outside Canada provided that they are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of any such jurisdictions. **Notwithstanding anything to the contrary contained herein, all offers and sales of Offered Units, including, without limitation, all offers and sales of Offered Units in the United States (as defined herein), were made and will be made in accordance with Schedule "A" hereto, which forms part of this Agreement and the terms and conditions of which are incorporated herein by reference. The Agent may through the U.S. Affiliates (as defined herein) offer the Offered Units for sale by the Corporation in the United States to a limited number of purchasers who are U.S. Accredited Investors (as defined herein), in accordance with this Agreement, any U.S. Private Placement Memorandum (and exhibits thereto), and Schedule "A" hereto, provided that no such action on the part of the Agent or its U.S. Affiliates shall in any way oblige the Corporation to register any Offered Units under the U.S. Securities Act (as defined herein) or the securities laws of any state of the United States. The parties acknowledge that the Warrants may not be exercised in the United States, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws, if available.** The Agent shall be entitled (but not obligated) in connection with the Offering to retain as sub-agents other registered securities dealers and may receive (for delivery to the Corporation at the Closing Time (as defined herein)) subscriptions for the Offered

Units and the Flow-Through Shares from other registered securities dealers. Any fee or other amount payable to such sub-agents shall be solely for the account of the Agent.

In consideration for their services hereunder, the Agent shall be entitled to the fee provided for in Section 10 hereof. That fee shall be payable as specified in Section 10 hereof.

## 1. Definitions and Interpretation.

In this Agreement, the following terms shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c.B-9, as amended, including the regulations promulgated thereunder.

"**Additional Closing Time**" has the meaning ascribed thereto in subsection 9(b) of this Agreement.

"**Agent**" has the meaning ascribed to such term in the first paragraph of this Agreement.

"**Agent's Counsel**" means Burnet, Duckworth & Palmer LLP, or such other legal counsel as the Agent may appoint, but for certainty does not include the Agent's counsel in the United States, if any.

"**Agent's Fee**" has the meaning ascribed thereto in Section 10 of this Agreement.

"**affiliate**" shall have the meaning ascribed thereto in the ABCA.

"**Agreement**" means this agency agreement, including any schedules or exhibits attached hereto, as it may be amended from time to time and not any other particular Article or Section or portion except as may be specified, and words such as "**hereto**", "**herein**" and "**hereby**" refer to this Agreement as the context requires.

"**AIF**" means the annual information form of the Corporation dated April 30, 2018 for the year ended December 31, 2017.

"**Alternative Transaction**" means any equity or debt financing, merger, amalgamation, arrangement, business combination, take-over bid, insider bid, issuer bid, reorganization, joint venture, sale or exchange of a part of, all of, or substantially all of the assets or Common Shares or any similar transaction involving the Corporation with any arm's length party.

"**Amended Preliminary Passport System Decision Document**" means a receipt for the Amended Preliminary Prospectus issued in accordance with the Passport System.

"**Amended Preliminary Prospectus**" means the amended and restated preliminary short form prospectus of the Corporation, in respect of the distribution of the Offered Securities, including the applicable Documents

"**applicable law**" means: (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty; and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a governmental authority having the force of law, including but not limited to the Applicable Securities Laws, the Environmental Laws and anti-money laundering laws.

"**Applicable Securities Laws**" means, collectively, the Canadian Securities Laws and the U.S. Securities Laws.

"**BCSC**" means the British Columbia Securities Commission.

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the City of Calgary, Alberta, are not open for the transaction of commercial banking business.

"**Canadian Exploration Expense(s)**" or "**CEE**" means Canadian exploration expense described in paragraph (a), (d), (f) or (g.1) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act or that would be described in paragraph (h) of such definition if the reference therein to "paragraphs (a), (d), (f) and (g.1) to (g.4)" were read as "paragraphs (a) and (d)", excluding any amounts which are prescribed to constitute "Canadian exploration and development overhead expense" under the Tax Act, the amount of any assistance received by the Corporation described in paragraph 66(12.6)(a) of the Tax Act and any expense described in paragraph 66(12.6)(b.1) of the Tax Act.

"**Canadian Securities Laws**" means all applicable Canadian securities laws, rules, regulations, notices, instruments, blanket orders and policies in the Qualifying Provinces.

"**Closing Date**" means November 7, 2018 or such other date as the Corporation and the Agent may mutually agree, but in any event, not later than the date that is 42 days after the date of the Final Passport System Decision Document.

"**Closing Time**" means 5:30 a.m. (Calgary time) on the Closing Date or such other time as mutually agreed to by the Corporation and the Agent.

"**Common Shares**" means the common shares in the capital of the Corporation.

"**Commitment Amount**" means the amount equal to the Flow-Through Offering Price multiplied by the number of Flow-Through Shares subscribed and paid for pursuant to the Subscription Agreements.

"**Concurrent Private Placement**" means non-brokered private placement of Common Shares for gross proceeds of \$5,500,000, which is expected to close prior to or concurrently with the Offering.

"**Corporation**" has the meaning ascribed to such term in the first paragraph of this Agreement.

"**Corporation Financial Statements**" means the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2017 and 2016, together with the notes thereto and auditor's report thereon, and the unaudited condensed interim consolidated financial statements of the Corporation as at June 30, 2018 and for the three month and six month periods ended June 30, 2018 and 2017, together with the notes thereto.

"**Corporation's Auditors**" means EAL Partners.

"**Corporation's counsel**" means Blake, Cassels & Graydon LLP, or such other legal counsel as the Corporation may appoint.

"**Deadline**" has the meaning ascribed to such term in the seventh paragraph of this Agreement.

"**distribution**" means "**distribution**" or "**distribution to the public**", as the case may be, as defined under Canadian Securities Laws, and "**distribute**" has a corresponding meaning.

**"Documents"** means, collectively, the documents incorporated by reference in the Prospectuses and any Supplementary Material including, without limitation:

- (a) the AIF;
- (b) the Corporation Financial Statements;
- (c) the Corporation's management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2017 and 2016;
- (d) the Corporation's management's discussion and analysis of financial condition and results of operations for the three and six month periods ended June 30, 2018 and 2017;
- (e) the information circular of the Corporation dated July 17, 2017; and
- (f) any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus, including any annual information form, annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial condition and results of operations, material change report (except a confidential material change report), business acquisition report and information circular, filed by the Corporation after the date of this Agreement and during the period of distribution.

**"Due Diligence Responses"** means the written and oral responses provided by the Corporation together with all materials provided to the Agent's Counsel during the Due Diligence Session, as given by any director or senior officer of the Corporation, at a Due Diligence Session.

**"Due Diligence Session"** shall have the meaning set forth in subsection 2(h) hereof.

**"Environmental Laws"** means applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters.

**"Exchange"** means the TSX Venture Exchange.

**"Expenditure Period"** means the period commencing on the date of the Corporation's acceptance of the Subscription Agreements and ending on the earlier of: (i) the date on which the Commitment Amount has been fully expended in accordance with the terms of the Subscription Agreements; and (ii) December 31, 2018.

**"Final Passport System Decision Document"** means a receipt for the Prospectus issued in accordance with the Passport System.

**"Flow-Through Offering"** has the meaning ascribed to such term in the first paragraph of this Agreement.

**"Flow-Through Offering Price"** has the meaning ascribed to such term in the first paragraph of this Agreement.

**"Forward-Looking Statements"** has the meaning ascribed to such term in Section 7(xxx) of this Agreement.

**"GST"** has the meaning ascribed to such term in the Section 10 of this Agreement.

"**IFRS**" means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, for publicly accountable enterprises.

"**Interests**" has the meaning ascribed to such term in the Section 7(q) of this Agreement.

"**Indemnified Persons**" means the Agent, its affiliates and its directors, officers, managers, members, partners, agents, employees, advisors, shareholders and each other person controlling the Agent or any of its affiliates.

"**Individual Commitment Amount**" means, in respect of each Subscriber, an amount equal to \$0.22 multiplied by the number of Flow-Through Shares subscribed and paid for by such Subscriber pursuant to a Subscription Agreement.

"**Flow-Through Shares**" has the meaning ascribed to such term in the first paragraph of this Agreement.

"**Initial Units**" has the meaning ascribed to such term in the first paragraph of this Agreement.

"**Marketing Documents**" means, collectively, all: (i) Standard Term Sheets; and (ii) Marketing Materials (including any template version, revised template version or limited use version thereof) provided to a potential investor in connection with the Offering.

"**Marketing Materials**" has the meaning ascribed to the term "marketing materials" in NI 41-101.

"**Material Adverse Change**" or "**Material Adverse Effect**" means any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, revenues, properties, results of operations, affairs, assets, capitalization, financial condition, rights or liabilities, whether contractual or otherwise, of the Corporation and its Subsidiaries (taken as a whole), which is materially adverse to the business, operations or financial condition of the Corporation and its Subsidiaries (taken as a whole), other than a change or effect: (i) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada and the United States and elsewhere; or (ii) resulting from a change in commodity prices.

"**material change**", "**material fact**" and "**misrepresentation**" shall have the meanings ascribed thereto under Canadian Securities Laws.

"**McDaniel**" means McDaniel & Associates Consultants Ltd., independent oil and gas reservoir engineers.

"**McDaniel Reserves Report**" means the independent engineering evaluation of the oil and natural gas reserves attributable to the Corporation's Bigoray property, prepared by McDaniel in its report dated October 25, 2018 and effective December 31, 2017.

"**MI 11-102**" means Multilateral Instrument 11-102 — *Passport System* of the Canadian Securities Administrators, as amended or replaced.

"**NI 41-101**" means National Instrument 41-101 — *General Prospectus Requirements* of the Canadian Securities Administrators, as amended or replaced.

"**NI 44-101**" means National Instrument 44-101 — *Short Form Prospectus Distributions* of the Canadian Securities Administrators, as amended.

"**NI 51-102**" means National Instrument 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators, as amended or replaced.

"**Nisku Resource Report**" means the independent engineering evaluation of the oil and natural gas contingent resources attributable to the Corporation's working interest in Nisku D & E, prepared by Sproule in its report effective December 6, 2017.

"**NP 11-202**" means National Policy 11-202 — *Process for Prospectus Reviews in Multiple Jurisdictions* of the Canadian Securities Administrators, as amended.

"**Offered Units**" has the meaning ascribed to such term in the sixth paragraph of this Agreement.

"**Offered Securities**" has the meaning ascribed to such term in the second paragraph of this Agreement.

"**Offering**" has the meaning ascribed to such term in the first paragraph of this Agreement.

"**Option Units**" has the meaning ascribed to such term in the sixth paragraph of this Agreement.

"**Over-Allotment Option**" has the meaning ascribed to such term in the sixth paragraph of this Agreement.

"**Passport System**" means the system and procedures for the filing of prospectuses and related materials in one or more Canadian jurisdictions pursuant to MI 11-102 and NP 11-202.

"**Preliminary Passport System Decision Document**" means a receipt for the Preliminary Prospectus issued in accordance with the Passport System.

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation to be dated October 15, 2018, in respect of the distribution of the Offered Securities, including the applicable Documents.

"**Prospectus**" means the (final) short form prospectus of the Corporation, in respect of the distribution of the Offered Securities, including the applicable Documents.

"**Prospectus Amendment**" means, collectively, any amendment to the Amended Preliminary Prospectus or the Prospectus.

"**Prospectuses**" means, collectively, the Preliminary Prospectus, the Amended Preliminary Prospectus and the Prospectus.

"**provide**", in the context of sending or making available Marketing Documents to a potential investor of Offered Securities, has the meaning ascribed thereto under Applicable Securities Laws, whether in the context of a "road show" (as defined in NI 41-101) or otherwise.

"**Public Record**" means all information filed by or on behalf of the Corporation with the Securities Commissions and accessible at [www.sedar.com](http://www.sedar.com), including without limitation, the Documents, the Prospectuses, any Supplementary Material and any other information filed with any Securities Commission in compliance, or intended compliance, with the continuous disclosure obligations imposed on the Corporation under any Applicable Securities Laws.

"**Qualifying Expenditures**" means expenses that constitute CEE on the date they are incurred.

"**Qualifying Provinces**" means British Columbia, Alberta, Saskatchewan, Ontario, Manitoba and Nova Scotia.

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act.

"**Regulation S**" means Regulation S promulgated under the U.S. Securities Act.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities Commissions**" means, collectively, the securities commissions or similar regulatory authorities in each of the Qualifying Provinces, and "**Securities Commission**" means any one of them.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

"**Selling Dealer Group**" means the dealers and brokers other than the Agent who participate in the offer and sale of the Offered Units or Flow-Through Shares pursuant to this Agreement.

"**Sproule**" means Sproule Associates Limited, independent oil and gas reservoir engineers.

"**Sproule Reserves Report**" means the independent engineering evaluation of the oil and natural gas reserves attributable to the Corporation's Queenstown property, prepared by Sproule in its report dated March 23, 2018 and effective December 31, 2017.

"**Standard Term Sheet**" has the meaning ascribed to "standard term sheet" in NI 41-101.

"**Subscribers**" means the persons (which may include the Agent) who, as principals, acquire Flow-Through Shares pursuant to a Subscription Agreement that is accepted by the Corporation and any other required documentation.

"**Subscription Agreements**" means the agreements to be executed by the Agent as agent for and on behalf of purchasers of Flow-Through Shares (which may include the Agent as principal) and accepted by the Corporation at or prior to Closing Time or Additional Closing Time, as applicable, setting out, among other things, the contractual relationship between the Corporation and such purchasers relating to the Flow-Through Shares, which agreement shall be in a form satisfactory to the Corporation and the Agent, acting reasonably.

"**Subsidiary**" means, other HRC (NZ) Limited, a subsidiary in respect of the Corporation within the meaning of the ABCA.

"**Supplementary Material**" means, means, collectively, any amendment to or amendment and restatement of any of the Preliminary Prospectus, the Amended Preliminary Prospectus or the Final Prospectus, any supplement to the U.S. Private Placement Memorandum, and any amended or supplemental prospectus or ancillary material required to be prepared and filed with any of the Securities Commissions under Canadian Securities Laws, in connection with the distribution of the Offered Securities, including any documents incorporated therein by reference;.

"**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward

sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions).

"**Tax Act**" has the meaning ascribed to such term in the first paragraph of this Agreement.

"**template version**" has the meaning ascribed thereto under NI 41-101 and includes any revised template version of Marketing Materials as contemplated by NI 41-101.

"**Termination Time**" has the meaning ascribed to such term in the seventh paragraph of this Agreement.

"**Underlying Shares**" means the Common Shares underlying the Offered Units.

"**Underlying Warrants**" means the Warrants underlying the Offered Units.

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**U.S. Accredited Investor**" means an "accredited investor" as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act.

"**U.S. Affiliate**" means a United States registered broker-dealer affiliate of any Agent.

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**U.S. Person**" means a "U.S. person" as such term is defined in Regulation S under the U.S. Securities Act.

"**U.S. Placement Memorandum**" means the preliminary and the final U.S. private placement memorandum, in the form agreed upon by the Corporation and the Agent and including the applicable version of the Prospectus, used in connection with the offering of the Offered Units in the United States.

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

"**U.S. Securities Laws**" means the United States federal securities laws, including the U.S. Securities Act and U.S. Exchange Act, and applicable state securities laws.

"**Warrant Indenture**" has the meaning ascribed to such term in the seventh paragraph of this Agreement.

"**Warrant Share**" has the meaning ascribed to such term in the seventh paragraph of this Agreement.

In this Agreement, "to the best of the Corporation's knowledge, information and belief", or an equivalent statement, means a statement as to the knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by senior officers of junior exploration and production companies in the discharge of their duties, without special inquiry for the purpose of this Offering. In this Agreement, "to the knowledge of the Corporation", or an equivalent statement, means a statement as to the actual knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates.

In addition, unless otherwise defined herein capitalized terms shall have the meanings ascribed thereto in the Prospectuses.

## 2. Qualification for Sale

- (a) The Corporation represents and warrants to the Agent that it is eligible to use the short form prospectus offering qualification system provided for in NI 44-101 for the distribution of the Offered Securities.
- (b) The Corporation represents and warrants to, and covenants and agrees with, the Agent that the Corporation has prepared and filed the Preliminary Prospectus and has obtained pursuant to NP 11-202, a decision document evidencing the issuance by the Securities Commissions of receipts for the Preliminary Prospectus in respect of the proposed distribution of the Offered Securities.
- (c) The Corporation has prepared and:
  - (i) on October 17, 2018, will file the Amended Preliminary Prospectus and other documents required under Canadian Securities Laws to be filed in connection with the Amended Preliminary Prospectus, with the Securities Commissions (and designating the BCSC as the principal regulator under the Passport System);
  - (ii) as soon as possible thereafter use reasonable commercial efforts to obtain from the BCSC a Preliminary Passport System Decision Document, evidencing that a receipt for the Amended Preliminary Prospectus has been issued in British Columbia and Ontario and has been deemed to have been issued in each of the Qualifying Provinces other than British Columbia and Ontario;
  - (iii) forthwith after any comments with respect to the Preliminary Prospectus have been received and resolved from the Securities Commissions, use reasonable commercial efforts:
    - (A) to prepare and file the Prospectus and other documents required under Applicable Securities Laws with the Securities Commissions by not later than 5:00 p.m. (Calgary time) on October 24, 2018 (or such later date as may be agreed to in writing by the Corporation and the Agent, acting reasonably); and
    - (B) to obtain from the BCSC a Final Passport System Decision Document dated October 24, 2018 (or such later date as may be agreed to in writing by the Corporation and the Agent, acting reasonably), evidencing that a receipt for the Prospectus has been issued in British Columbia and Ontario and has been deemed to have been issued in each of the Qualifying Provinces other than British Columbia and Ontario or otherwise obtained a receipt for the Prospectus from each of the Securities Commissions;

and otherwise fulfill all legal requirements to enable the Offered Securities to be offered and sold to the public in each of the Qualifying Provinces through the Agent or any other investment dealer or broker duly registered in the applicable Qualifying Province who complies with the Applicable Securities Laws and the terms and conditions of their registration; and

- (iv) until the completion of the distribution of the Offered Securities, promptly take all customary additional steps and proceedings that from time to time may be required under Canadian Securities Laws in each Qualifying Province to continue to qualify the Offered Securities for distribution or, in the event that the Offered Securities have, for any reason, ceased to so qualify, to again qualify them for distribution in each Qualifying Province and, to the extent within the control of the Corporation, take reasonable and customary steps to qualify the Offered Units for sale in transactions exempt from registration under the U.S. Securities Act pursuant to Regulation D (for U.S. Accredited Investors) and in reliance upon exemptions from registration under applicable state securities laws., as applicable (which shall not include the preparation and filing of any registration statement or prospectus under state securities laws).
- (d) Prior to the filing of the Prospectuses and, during the period of distribution of the Offered Securities, prior to the filing with any Securities Commissions of any Supplementary Material or any Documents after the date hereof, the Corporation shall have allowed the Agent and the Agent's Counsel to participate fully in the preparation of, and to approve the form of, the U.S. Placement Memorandum and any Supplementary Material, and to have reviewed any such Documents (such approval and review not to be unreasonably withheld or delayed).
- (e) During the period from the date hereof until completion of the distribution of the Offered Securities, the Corporation shall allow the Agent to conduct all due diligence which they may reasonably require in order to fulfill their obligations as an "agent" (as the term is defined in the Canadian Securities Laws) and in order to enable the Agent to responsibly execute the certificates required to be executed by them in the Prospectuses or in any Supplementary Material. Without limiting the generality of the foregoing, the Corporation shall make available its senior management, and shall use all commercially reasonable efforts to cause its auditors (including of any predecessor entity or business), independent engineers (including of any predecessor entity or business) and legal counsel to be available, as applicable, to answer any questions which the Agent may have and otherwise participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Due Diligence Session**") (subject to the delivery by the Agent of such documents that the auditors of the Corporation may reasonably request or which are customary or necessary as a prerequisite to their participation in any Due Diligence Session). The Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Session within a reasonable time prior to the date of the Due Diligence Session and in any case not less than 2 Business Days prior, and the Corporation shall provide written responses to such questions in advance of the Due Diligence Session and shall use all commercially reasonable efforts to have the above-mentioned senior management, auditors, independent engineers, legal counsel and other experts provide written responses to such questions in advance of the Due Diligence Session.
- (f) The Corporation will ensure that management of the Corporation will make themselves available to, and shall assist in the marketing of, the Offered Securities at such times and in such manner as the Agent may reasonably request, including, without limitation, to participate in meetings with institutional investors as reasonably requested by the Agent.
- (g) To the extent within its reasonable control, the Corporation shall take or cause to be taken such action as is reasonably necessary to permit the Offered Units to be offered and sold

in accordance with Schedule "A" hereto in transactions exempt from the registration requirements of the U.S. Securities Act, and for sale in such other jurisdictions outside of Canada or the United States as have been consented to by the Corporation; provided, however, that in no event shall anything in this Agreement or any other documents pursuant to this Offering (including, but not limited to, the Prospectuses or Warrant Indenture) obligate or otherwise require that the Corporation: (i) take any action to qualify or register any of its securities or any trade of any of its securities (including the distribution of the Offered Securities); (ii) establish or maintain any office or director, officer, employee or agent in such jurisdiction; or (iii) become subject to any reporting, filing or other requirement of such jurisdictions.

- (h) During the distribution of the Offered Units and Flow-Through Shares:
  - (i) in the event that the Corporation and the Agent shall each approve in writing a template version of any Marketing Materials to be provided by the Agent to any such potential investor (such Marketing Materials to comply with Canadian Securities Laws):
    - (A) the Corporation shall file a template version of such Marketing Materials with the Securities Commissions as soon as reasonably practicable after such Marketing Materials are so approved in writing by the Corporation and the Agent, and in any event on or before the day the Agent informs the Corporation the Marketing Materials will be provided to any potential investor of Offered Units or Flow-Through Shares, and such filing shall constitute the Agent's authority to use such Marketing Materials in connection with the Offering to the extent (and only as) permitted under the Canadian Securities Laws;
    - (B) any "comparables" (within the meaning of NI 41-101) shall be redacted from the template version in accordance with NI 41-101 prior to filing such template version with the Securities Commissions and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Securities Commissions by the Corporation; and
    - (C) the Corporation shall prepare and file with the Securities Commissions a revised template version of any Marketing Materials provided to potential investors in Offered Units and Flow-Through Shares where required under Canadian Securities Laws;
  - (i) the Corporation and the Agent covenant and agree (and in the case of the Agent shall cause any Selling Dealer Group members) not to provide any potential investor of Offered Units or Flow-Through Shares with any Marketing Materials unless a template version of such Marketing Materials has first been approved in writing by the Corporation and the Agent, and has been filed by the Corporation with the Securities Commissions;
  - (j) the Agent agrees:
    - (i) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Securities or in relation to the Corporation other

than, as applicable: (a) such Marketing Materials that have been approved and filed in accordance with this subsection 2(j); (b) the Preliminary Prospectus, Amended Preliminary Prospectus and the Prospectus; (c) the U.S. Placement Memorandum; and (d) any Standard Term Sheets approved in writing by the Corporation and the Agent; and

- (ii) that any Marketing Materials approved and filed in accordance with this subsection 2(j), and any Standard Term Sheets approved in writing by the Corporation and the Agent, shall only be provided to potential investors in Offered Units and Flow-Through Shares in the Qualifying Provinces.

### **3. Delivery of Prospectus and Related Documents**

The Corporation shall deliver or cause to be delivered without charge to the Agent and the Agent's Counsel the documents set out below at the respective times indicated:

- (a) prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of each of the Amended Preliminary Prospectus and the Prospectus:
  - (i) copies of the Amended Preliminary Prospectus and the Prospectus signed as required by the Canadian Securities Laws;
  - (ii) copies of any documents incorporated by reference therein, which have not previously been delivered to the Agent or are not otherwise available on SEDAR;
- (b) upon request by the Agent, as soon as practicable thereafter, copies of the U.S. Placement Memorandum if required by the Agent;
- (c) as soon as they are available, a copy of any other document required to be filed by the Corporation under Applicable Securities Laws during the period of distribution of the Offered Units and Flow-Through Shares that is not available on SEDAR;
- (d) as soon as they are available, copies of any Supplementary Material, signed as required by Applicable Securities Laws and including, in each case, copies of any documents incorporated by reference therein, which have not been previously delivered to the Agent or filed on SEDAR;
- (e) prior to the filing of the Prospectus with the Securities Commissions: a "comfort letter" from the Corporation's Auditors and any other auditors who have audited any of the financial statements included in or incorporated by reference in the Prospectus, dated the date of the Prospectus, addressed to the Agent and satisfactory in form and substance to the Agent and the Agent's Counsel, acting reasonably, to the effect that they have carried out certain procedures performed for the purposes of comparing certain specified financial information and percentages appearing in the Prospectus and the documents incorporated therein by reference with indicated amounts in the financial statements or accounting records of the Corporation or other applicable entity or business and have found such information and percentages to be in agreement, which comfort letter shall be based on the applicable auditors' review having a cut-off date of not more than two Business Days prior to the date of the Prospectus; and

- (f) in the event that the Corporation is required by Applicable Securities Laws to prepare and file any Prospectus Amendment, the Corporation shall prepare and deliver promptly to the Agent signed and certified copies of such Prospectus Amendment. Any Prospectus Amendment shall be in form and substance satisfactory to the Agent, acting reasonably. Concurrently with the delivery of any Prospectus Amendment, the Corporation shall deliver, or cause to be delivered, to the Agent, with respect to such Prospectus Amendment, documents similar to those referred to in Sections 3(d) and 3(e) hereof;

Comfort letters similar to the foregoing shall be provided to the Agent with respect to any Supplementary Material at the time the same is presented to the Agent for its signature or, if the Agent's signature is not required, at the time the same is filed. All such comfort letters shall be in form and substance acceptable to the Agent and the Agent's Counsel, acting reasonably.

The filings and deliveries referred to in this Section 3 shall also constitute the Corporation's consent to the use by the Agent, the U.S. Affiliate and other members of the Selling Dealer Group of the Documents, the Prospectuses, the U.S. Placement Memorandum and any Supplementary Material in connection with the offering and sale of the Offered Units and Flow-Through Shares in compliance with the provisions of this Agreement and Applicable Securities Laws.

#### **4. Commercial Copies**

- (a) The Corporation shall, as soon as possible but in any event not later than 4:00 p.m. (local time at the place of delivery) on: (i) the Business Day (or, in the case of the U.S. Placement Memorandum, the second Business Day) following the date on which the Amended Preliminary Passport System Decision Document or the Final Passport System Decision Document, as the case may be, is issued (or such other date or time as the Agent and the Corporation may agree); and (ii) no later than 4:00 p.m. (local time) on the first Business Day after the execution of any Supplementary Material with respect to the Prospectuses, cause to be delivered to the Agent, without charge, commercial copies of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum and any such Supplementary Material in such numbers and in such cities as the Agent may reasonably request by written instructions to the Corporation, or the printer thereof, given no later than the time when the Corporation authorizes the printing of the commercial copies of such documents.
- (b) The Corporation shall cause to be provided to the Agent such number of copies of any documents incorporated by reference in the Amended Preliminary Prospectus, the Prospectus or any such Supplementary Material as the Agent may reasonably request.

#### **5. Corporation's Covenants as to Changes and Certain Other Covenants**

- (a) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Units and Flow-Through Shares and the issuance of the Underlying Shares and Underlying Warrants, the Corporation will promptly inform the Agent in writing of the full particulars of:
  - (i) any material change (actual, anticipated or threatened) in or affecting the business, operations, revenues, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the of the Corporation and its Subsidiaries (taken as a whole);

- (ii) any change in any material fact contained in the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any Supplementary Material; and
- (iii) the occurrence or discovery of a material fact or event which, in any such case, is, or may reasonably be expected to be, of such a nature as to:
  - (A) render the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any Supplementary Material untrue, false or misleading in any material respect;
  - (B) result in a material misrepresentation in the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any Supplementary Material; or
  - (C) result in the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any Supplementary Material not complying in any material respect with the Applicable Securities Laws,

provided that if there may be any reasonable doubt as to whether a material change, change in material fact, occurrence or event of the nature referred to in this subsection has occurred or been discovered, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature prior to making any filing referred to in subsection 5(c).

- (b) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Units and Flow-Through Shares, the Corporation will promptly inform the Agent in writing of the full particulars of:
  - (i) any request of any Securities Commission, the SEC or similar regulatory authority for any amendment to, or to suspend or prevent the use of, the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum or any other part of the Public Record or for any additional information of a material nature;
  - (ii) the issuance by any Securities Commission, the SEC or similar regulatory authority, the Exchange or any other competent authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for such purpose; and
  - (iii) the receipt by the Corporation of any communication from any Securities Commission, the SEC or similar regulatory authority, the Exchange or any other competent authority relating to the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum, any part of the Public Record or the distribution of the Offered Securities,

and except as otherwise agreed by the Agent and the Corporation, the Corporation will use its reasonable commercial efforts to prevent the issuance of any such cease trading order or suspension order and, if issued, use its reasonable commercial efforts to obtain the withdrawal thereof as soon as possible.

- (c) During the period commencing on the date hereof and ending on completion of the distribution of the Offered Units and Flow-Through Shares, the Corporation will promptly comply to the reasonable satisfaction of the Agent and the Agent's Counsel with Applicable Securities Laws with respect to any material change, change, occurrence or event of the nature referred to in subsections 5(a) or 5(b) above and the Corporation will prepare and file (if applicable) promptly at the Agent's request, acting reasonably, and only during such period, any Supplementary Material required under Applicable Securities Laws; provided that the Corporation shall have allowed the Agent and the Agent's Counsel to participate fully in the preparation of any such Supplementary Material, to have reviewed any other documents incorporated by reference therein and conduct all due diligence investigations which the Agent may reasonably require in order to fulfill its obligations as "agent" and in order to enable the Agent responsibly to execute the certificate required to be executed by it in, or in connection with, any Supplementary Material, which investigations the Agent shall undertake in a timely manner. The Corporation shall further promptly deliver to the Agent and the Agent's Counsel a copy of each Supplementary Material as filed with the Securities Commissions and of comfort letters with respect to each such Supplementary Material substantially similar to those referred to in Section 3 above.
- (d) During the period commencing on the date hereof and ending on the completion of the distribution of the Offered Units and Flow-Through Shares, the Corporation will promptly provide to the Agent, for review by the Agent and the Agent's Counsel, prior to filing or issuance:
- (i) any proposed Document, including without limitation any amendment to the AIF, new annual information form, financial statements, management's discussion and analysis, material change report, business acquisition report, interim report, Marketing Documents or information circular;
  - (ii) any press release of the Corporation (subject to the Corporation's obligations under Applicable Securities Laws and Exchange requirements to make timely disclosure of material information); , further the parties agree that any press release issued in connection with the Offering is to include the following or substantially similar legend: "NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN THE UNITED STATES." and, as applicable, "The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful";
  - (iii) any Supplementary Material; and
  - (iv) any amendment to the U.S. Placement Memorandum,

and provide to the Agent, for review by the Agent and the Agent's Counsel, any draft or final report with respect to reserves data attributable to the Corporation's properties prepared by Sproule, McDaniel or any other independent engineer as soon as practicable following receipt thereof by the Corporation.

- (e) The Corporation will comply with all covenants of the Corporation set forth in this Agreement, the Subscription Agreements and the Warrant Indenture, and duly, punctually and faithfully perform all the obligations to be performed by it under this Agreement, the Subscription Agreements and the Warrant Indenture.
- (f) The Corporation will file all necessary forms and reports that are required to be filed by the Corporation with the appropriate Securities Commissions and other regulatory authorities in connection with the Offering.
- (g) The Corporation shall use commercially reasonable efforts to obtain the approval of the Exchange to the listing of the Flow-Through Shares, the Underlying Shares, the Underlying Warrants and the Warrant Shares on the facilities of the Exchange by the Closing Date, subject only to standard listing conditions.
- (h) The Corporation shall use the net proceeds from the sale of the Offered Securities as described in the Prospectus.
- (i) The Corporation will not (other than pursuant to the Offering), from the date hereof until that date that is 90 days following the Closing Date, directly or indirectly, sell, or offer to sell, or announce the offering of, or enter into or make any agreement or understanding, or announce the making or entry into of any agreement or understanding, to issue, sell or exchange any Common Shares or securities exchangeable or convertible into Common Shares without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, provided that notwithstanding the foregoing, the Corporation may: (i) make awards under the Corporation's long-term incentive plans as in effect from time to time; (ii) issue Common Shares to the holders of any convertible securities or instruments of the Corporation existing at the date hereof or hereafter granted under the Corporation's long-term incentive plans as in effect from time to time; (iii) issue, sell or exchange, Common Shares or securities exchangeable or convertible into Common Shares in connection with any acquisition transaction by the Corporation (directly or indirectly through a Subsidiary); and (iv) issue Warrant Shares on the exercise of Underlying Warrants in accordance with the Warrant Indenture, or enter into or make any agreement or understanding therefor (or announcement in respect thereof).

## **6. Representations, Warranties and Covenants of the Agent**

The Agent (and on behalf of its U.S. Affiliate, as applicable) represents, warrants and confirms, and covenants and agrees with and in favour of the Corporation that:

- (a) it will use commercially reasonable efforts to obtain subscriptions for the Offered Units and the Flow-Through Shares in accordance with Applicable Securities Laws;
- (b) it will offer the Offered Units and the Flow-Through Shares for sale to the public only in the Qualifying Provinces (and cause any sub-agent to offer the Offered Units and the Flow-Through Shares for sale to the public only in the Qualifying Provinces) and may, subject to the terms of this Agreement, offer the Offered Units for sale in the United

States, in accordance with and in the manner contemplated by Schedule "A" attached hereto, and in such other jurisdictions as may be agreed to by the Corporation;

- (c) it will conduct activities in connection with the offer and sale of the Offered Units and the Flow-Through Shares in compliance with all the Applicable Securities Laws (including, without limitation, all Applicable Securities Laws pertaining to permissible activities during the "waiting period" as that term is defined in NI 41-101) and cause an equivalent covenant to be given to each member of any Selling Dealer Group established in connection with the distribution of the Offered Units and the Flow-Through Shares;
- (d) it will use all reasonable efforts to complete the distribution of the Offered Units and the Flow-Through Shares as soon as possible and to use all reasonable efforts to cause each member of any Selling Dealer Group established in connection with the distribution of the Offered Units and the Flow-Through Shares to complete the distribution of the Offered Units and the Flow-Through Shares as soon as possible and in any case it will complete the distribution of the Initial Units and the Flow-Through Shares not later than the Closing Date;
- (e) it will not offer for sale or solicit subscriptions for the Offered Units or the Flow-Through Shares, trade in the Offered Units or the Flow-Through Shares or otherwise do any act in furtherance of a trade of the Offered Units or the Flow-Through Shares in any jurisdictions outside of the Qualifying Provinces, except as contemplated in Schedule "A" attached hereto or in such other jurisdictions outside of Canada and the United States as are consented to by the Corporation and in any event provided that such offer, solicitation, trade or other act complies with and is made in accordance with the Applicable Laws in such jurisdiction and does not: (i) obligate the Corporation to take any action to qualify or register any of its securities or any trade of any of its securities (including the distribution of the Offered Units or the Flow-Through Shares); (ii) obligate the Corporation to establish or maintain any office or director, officer, employee or agent in such jurisdiction; or (iii) subject the Corporation to any reporting, filing or other requirement of such jurisdictions; and the Agent will not engage in the Directed Selling Efforts as described in Schedule "A";
- (f) the Agent is a registered dealer in the Qualifying Provinces where it offers and sells the Offered Units and the Flow-Through Shares, duly registered under the Applicable Securities Laws of each such Qualifying Province and in compliance with the terms and conditions of its registration (which terms and conditions do not restrict its ability to offer and sell the Offered Units and the Flow-Through Shares as contemplated herein), and will remain so duly registered and compliant until completion of the Offering;
- (g) it will as soon as reasonably practicable after the Closing Date (and in any event within 30 days thereof) provide the Corporation with a break down of the number of Offered Units and Flow-Through Shares sold in each of the Qualifying Provinces and, upon completion of the distribution of the Offered Units and the Flow-Through Shares, provide to the Corporation and to the Securities Commissions notice to that effect, if required by Canadian Securities Laws;
- (h) it will deliver to the Corporation at the Closing Date a completed Subscription Agreement duly executed by the Agent, as agent for and on behalf of the Subscribers in respect of the Flow-Through Shares to be issued under the Offering, and the Agent

represents and warrants that it is duly authorized to execute and deliver Subscription Agreements on behalf of the Subscribers;

- (i) it will not offer the Flow-Through Shares in the United States or to any person that is a "U.S. Person" ;
- (j) it will have complied with the client verification requirements required under Applicable Securities Laws and normal industry practice and, based upon such verification, the Agent has no reason to believe that any of the Subscribers are ineligible to subscribe for the Flow-Through Shares in compliance with Applicable Securities Laws;
- (k) nothing in this Agreement shall relieve any Agent in default from liability to the Corporation or to any non-defaulting Agent in respect of the defaulting Agent's default hereunder; and
- (l) after the Closing Time:
  - (i) use commercially reasonable efforts to complete the distribution of the Offered Units and the Flow-Through Shares as promptly as possible; and
  - (ii) give prompt written notice to the Corporation when, in the opinion of the Agent, they have completed distribution of the Offered Units and the Flow-Through Shares, including notice of the total proceeds realized or number of Offered Units and Flow-Through Shares sold in each of the Qualifying Provinces from such distribution,

and, in any event, the Agent shall cause the distribution of the Offered Units and the Flow-Through Shares to be completed by not later than the date that is 42 days after the date of the Final Passport System Decision Document.

## **7. Representations, Warranties and Covenants of the Corporation**

The Corporation represents, warrants and covenants to the Agent, and acknowledges that the Agent is relying upon such representations, warranties and covenants, as follows:

- (a) as at October 15, 2018, the Preliminary Prospectus (including the documents incorporated by reference therein) contained no misrepresentation and constituted full, true and plain disclosure of all material facts relating to the Corporation, the Offered Units and Flow-Through Shares, and complied in all material respects with the Applicable Securities Laws, including without limitation NI 44-101;
- (b) each delivery of the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum and any Supplementary Material pursuant to Section 3 above shall constitute a representation and warranty to the Agent by the Corporation that:
  - (i) the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum and any Supplementary Material, as applicable, including, in each case, the documents incorporated by reference therein, as the case may be (but excluding information and statements relating solely to the Agent and furnished by them or by Agent's Counsel in writing expressly for inclusion in the applicable document):

- (A) contains no misrepresentation; and
  - (B) constitutes full, true and plain disclosure of all material facts relating to the Offered Securities;
- (ii) the Amended Preliminary Prospectus, the Prospectus, or any Supplementary Material, as applicable, including in each case, the documents incorporated by reference therein, as the case may be, comply in all material respects with the Applicable Securities Laws, including without limitation NI 44-101; and
  - (iii) except as is disclosed in the Public Record, there has been no intervening material change (actual, proposed or prospective, whether financial or otherwise), from the date of the Amended Preliminary Prospectus, the Prospectus, the preliminary U.S. Placement Memorandum, the final U.S. Placement Memorandum and any Supplementary Material, as applicable, to the time of delivery thereof, in the business, operations, revenues, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation that is not required to be reflected in the Amended Preliminary Prospectus, the Prospectus, the preliminary U.S. Placement Memorandum, the final U.S. Placement Memorandum and any Supplementary Material, as applicable (including, in each case, the documents incorporated by reference therein), and
- (c) the Corporation and each of its Subsidiaries have been duly incorporated or amalgamated, as the case may be, and are valid and subsisting under the laws of the jurisdiction of their respective incorporation or amalgamation, as the case may be, and have all requisite corporate capacity, power and authority to carry on their respective businesses, as now conducted and as presently proposed to be conducted by them, and to own, lease and operate its properties and assets;
  - (d) HRC (NZ) Limited does not and has never carried on business;
  - (e) the Corporation and each of its Subsidiaries are qualified to carry on business under the laws of each jurisdiction in which they carry on a material portion of their respective business;
  - (f) the Corporation and each of its Subsidiaries have conducted and are conducting their business in compliance in all material respects with all applicable laws, rules and regulations and, in particular, all applicable licensing and environmental laws, rules and regulations other lawful requirements of any governmental or regulatory bodies applicable to them of each jurisdiction in which they carry on a material portion of their business, and hold all licences, permits, registrations and qualifications in all jurisdictions in which they carry on a material portion of their business which are necessary to carry on the business of the Corporation and each its Subsidiaries as now conducted, all of which licences, permits, registrations or qualifications are valid and existing and in good standing (except where the failure to so conduct its business or to hold such licenses, permits, registrations or qualifications do not and would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect on the Corporation and its Subsidiaries (taken as a whole)) and none of such licences, permits, registrations or qualifications contains any burdensome term, provision, condition or limitation which constitutes or could reasonably be expected to constitute a Material Adverse Effect on the

Corporation and its Subsidiaries (taken as a whole); and to the knowledge of the Corporation, it is not aware of any legislation, regulation, rule or lawful requirement presently in force or proposed to be brought into force that it anticipates being unable to comply with without constituting a Material Adverse Effect on the Corporation and its Subsidiaries (taken as a whole);

- (g) other than Pulse Oil Operating Corp. and HRC (NZ) Ltd., the Corporation: (i) does not have any Subsidiaries; (ii) is not a partner of any partnerships or limited partnerships (other than participating in industry partnerships in the ordinary course of business) or limited partnerships; and (iii) has no material shareholdings in any other corporation or business organization;
- (h) the minute books for the Corporation and each of its Subsidiaries contain full, true and correct copies of the constating documents of the Corporation and the applicable Subsidiary, as applicable, have been maintained in all material respects in accordance with applicable laws, and are complete and accurate in all material respects;
- (i) the books of account and other financial and accounting records of the Corporation have been maintained in accordance with commercially prudent business practices, and proper books of accounts and records of all future Qualifying Expenditures and all transactions affecting the Commitment Amount and the Qualifying Expenditures will be maintained in accordance with commercially prudent business practices;
- (j) other than: (i) as would not constitute a Material Adverse Effect; or (ii) as has been disclosed to the Agent, the Corporation and each of its Subsidiaries has duly and on a timely basis filed all tax returns due and required to be filed by them prior to the date hereof, has paid all taxes due and payable by them prior to the date hereof, and has paid all other governmental charges, penalties, interest and fines due and payable by them in respect of taxes or assessments (or reassessments) thereof and which were claimed by any governmental authority to be due and owing prior to the date hereof, and adequate provisions have been made in accordance with IFRS for taxes payable for any completed fiscal period for which tax returns are not yet required, and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Corporation or any of its Subsidiaries, and to the Corporation's knowledge there are no actions, suits, proceedings or investigations pending or threatened against the Corporation or any of its Subsidiaries in respect of taxes, governmental charges or assessments or any matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority;
- (k) as at the date hereof, the Corporation is not aware of any material contingent tax liability of the Corporation or any of its Subsidiaries or any grounds which will prompt a reassessment for which provision has not been made in accordance with IFRS;
- (l) all filings made by the Corporation or any of its Subsidiaries under which the Corporation or any of its Subsidiaries have received or are entitled to government incentives, have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could reasonably be expected to cause any amount previously paid to the Corporation or any of its Subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed;

- (m) except to the extent that any violation or other matter referred to in this subparagraph does not constitute a Material Adverse Effect on the Corporation and its Subsidiaries (taken as a whole):
- (i) neither the Corporation nor any of its Subsidiaries are in violation of any Environmental Laws;
  - (ii) the Corporation and each of its Subsidiaries have operated their business at all times and have received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
  - (iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation or any of its Subsidiaries that have not been remedied;
  - (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation or any of its Subsidiaries;
  - (v) neither the Corporation nor any of its Subsidiaries have failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Law;
  - (vi) the Corporation and each of its Subsidiaries hold all licences, permits and approvals required under any Environmental Laws in connection with the operation of their business and the ownership and use of its assets, all such licences, permits and approvals are in full force and effect, except for: (A) notifications and conditions of general application to assets of the type owned by the Corporation or any of its Subsidiaries; and (B) notifications relating to reclamation obligations under applicable laws, and neither the Corporation nor any of its Subsidiaries have received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by them as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and
  - (vii) neither the Corporation nor any of its Subsidiaries have received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and neither the Corporation nor any of its Subsidiaries have settled any allegation of material non-compliance short of prosecution;
- (n) the Corporation made available to Sproule, prior to the issuance of the Sproule Reserves Report, for the purpose of preparing the Sproule Reserves Report, all information requested by Sproule, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in commodity prices, the Corporation has no knowledge of a Material Adverse Change to the

Corporation in any production, cost, reserves or other relevant information provided to Sproule since the dates that such information was so provided. The Corporation believes that the Sproule Reserves Report reasonably presents in all material respects the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in the Sproule Reserves Report, as at December 31, 2017, based upon information available at the time the Sproule Reserves Report and subject to the assumptions and qualifications as to commodity prices, costs and other matters contained therein, and the Corporation believes that at the date of such report it did not;

- (o) the Corporation made available to McDaniel, prior to the issuance of the McDaniel Reserves Report, for the purpose of preparing the McDaniel Reserves Report, all information requested by McDaniel, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in commodity prices, the Corporation has no knowledge of a Material Adverse Change to the Corporation in any production, cost, reserves or other relevant information provided to McDaniel since the dates that such information was so provided. The Corporation believes that the McDaniel Reserves Report reasonably presents in all material respects the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in the McDaniel Reserves Report, as at December 31, 2017, based upon information available at the time the McDaniel Reserves Report subject to the assumptions and qualifications as to commodity prices, costs and other matters contained therein;
- (p) the Corporation made available to Sproule, prior to the issuance of the Nisku Resource Report, for the purpose of preparing the Nisku Resource Report, all information requested by Sproule, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in commodity prices, the Corporation has no knowledge of a Material Adverse Change to the Corporation in any production, cost, reserves or other relevant information provided to Sproule since the dates that such information was so provided. The Corporation believes that the Nisku Resource Report reasonably presents in all material respects the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in the Nisku Resource Report, as at December 6, 2017, based upon information available at the time the Nisku Resource Report subject to the assumptions and qualifications as to commodity prices, costs and other matters contained therein;
- (q) although it does not warrant title, the Corporation does not have reason to believe that the Corporation and each of its Subsidiaries do not, subject to the terms and conditions of the documents of title relating thereto, have title to or the right to produce and sell their petroleum, natural gas and related hydrocarbons (for the purpose of this Section 7, the foregoing are referred to as the "**Interests**") and does represent and warrant that the Interests are free and clear of adverse claims created by, through or under the Corporation or any of its Subsidiaries (taken as a whole) except as disclosed in the Public Record or for those arising in the ordinary course of business, and that, to the knowledge of the Corporation, the Corporation and each of its Subsidiaries hold their respective Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold their Interests would not have a Material Adverse Effect on the Corporation and its Subsidiaries (taken as a whole);

- (r) other than liens, charges and other encumbrances arising by law or in the ordinary course of business, the properties and assets of the Corporation and each of its Subsidiaries are free and clear of all mortgages, pledges, liens, charges and encumbrances, and other than such security arrangements, liens, charges and other encumbrances or those which do not and will not have a Material Adverse Effect on the ownership or operation of such assets and properties, or property dispositions undertaken by the Corporation or any of its Subsidiaries, neither the Corporation nor any of its Subsidiaries has done any act or suffered or permitted any action whereby any person has acquired or may reasonably be expected to acquire an interest in or to the material properties and assets of the Corporation or any of its Subsidiaries, nor has the Corporation nor any of its Subsidiaries done any act, omitted to do any act or permitted any act to be done that may reasonably be expected to adversely affect or defeat its title to any of the material properties and assets of the Corporation or any its Subsidiaries;
- (s) although it does not warrant title, to the knowledge of the Corporation, there are no defects, failures or impairments in the title or right of the Corporation and each of the Subsidiaries constituting their respective Interests, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could reasonably be expected to have a Material Adverse Effect on: (A) the estimated quantity of oil and natural gas reserves shown in the Sproule Reserves Report; (B) the estimated quantity of oil and natural gas reserves shown in the McDaniel Reserves Report; (C) the estimated quantity of oil and natural gas reserves shown in the Nisku Resource Report; (D) the current production of the Corporation and the Subsidiaries (taken as a whole); or (E) the current cash flow of the Corporation and the Subsidiaries (taken as a whole), and the Corporation is not aware of any such pending or threatened action, suit, proceeding or inquiry;
- (t) all operations of the Corporation and its Subsidiaries and, to the knowledge of the Corporation, all operations by third parties, on or in respect of the assets and properties of the Corporation and its Subsidiaries, have been conducted in accordance with good industry practices and in material compliance with applicable laws, rules, regulations, orders and directions of governmental and other competent authorities having jurisdiction over the Corporation or any of its Subsidiaries;
- (u) to the knowledge of the Corporation, no officer, director, employee or any other person not dealing at arm's length with the Corporation or any associate or affiliate of any such persons, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from properties or assets of the Corporation or any of its Subsidiaries or any revenue or rights attributed thereto;
- (v) the Corporation has the corporate power and authority to enter into this Agreement, the Subscription Agreements and the Warrant Indenture and to perform its obligations set out in this Agreement, the Subscription Agreements and the Warrant Indenture, as applicable, and this Agreement is, and the Subscription Agreement and the Warrant Indenture will be, at the Closing Date, duly authorized, executed and delivered by the Corporation, and this Agreement constitutes, and each of the Subscription Agreements and the Warrant Indenture will constitute, a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with their respective terms, except that the validity, binding effect and enforceability of the terms of agreements and documents are subject to the qualifications that such validity, binding effect and enforceability may

be limited by: (i) applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, being available only in the discretion of the applicable court; (iii) the statutory and inherent powers of a court to grant relief from forfeiture, to stay execution of proceedings before it and to stay executions on judgments; (iv) the applicable laws regarding limitations of actions; (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document being determined only in the discretion of the court; (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it being limited under applicable law; and (vii) rights to indemnity, contribution and waiver being limited or unavailable under applicable law;

- (w) the Corporation has the necessary corporate power and authority to execute, deliver and file the Prospectuses and, prior to the filing of the Preliminary Prospectus, the Amended Preliminary Prospectus and the Prospectus, all requisite action will have been taken by the Corporation to authorize the execution, delivery and filing thereof;
- (x) the attributes of the Offered Units, the Flow-Through Shares, the Underlying Shares, the Underlying Warrants and the Warrant Shares conform in all material respects with the description thereof contained in the Prospectuses;
- (y) upon closing of the Offering the Underlying Shares, Underlying Warrants and Warrant Shares will be "qualified investments" as set forth under the heading "Eligibility for Investment" in the Prospectuses;
- (z) the Corporation is qualified to file a prospectus in the form of a short form prospectus under NI 44-101 in the Qualifying Provinces;
- (aa) the Corporation has the corporate power and authority to issue the Offered Securities issuable pursuant hereto and to grant the Over-Allotment Option;
- (bb) at the Closing Time, the Underlying Shares and Underlying Warrants underlying the Initial Units as well as the Flow-Through Shares and, if applicable, the Underlying Shares and Underlying Warrants underlying the Option Units, and the Warrant Shares issuable pursuant to the Underlying Warrants, will be duly and validly authorized, allotted and reserved for issuance;
- (cc) upon the issuance of the Flow-Through Shares and Underlying Shares and Underlying Warrants pursuant to the Offered Units, such Flow-Through Shares and Underlying Shares and Underlying Warrants will be duly and validly issued as fully paid and non-assessable;
- (dd) upon the issuance of the Warrant Shares following receipt of the exercise price therefor in accordance with the terms of the Warrant Indenture, such Warrant Shares will be duly and validly issued as fully paid and non-assessable;
- (ee) the execution, delivery and performance by the Corporation of this Agreement, the Subscription Agreements and the Warrant Indenture (if executed and delivered) does not and will not result in a breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of

or constitute a default under: (i) any applicable laws of the Province of Alberta or federal laws of Canada applicable therein applicable to the Corporation; (ii) any term or provision of the articles, by-laws or other constating documents, as applicable, of the Corporation; (iii) any resolutions of the shareholders or directors (or any committee thereof) of the Corporation; (iv) any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound; or (v) any judgment, decree or order, of any court, governmental agency or body or regulatory authority having jurisdiction over or binding the Corporation or its properties or assets, in each case, which default or breach might reasonably be expected to constitute a Material Adverse Effect on the Corporation and its Subsidiaries (taken as a whole) or would impair the ability of the Corporation to consummate the transactions contemplated by this Agreement, the Subscription Agreements or the Warrant Indenture or to duly observe and perform any of its covenants or obligations contained in this Agreement, the Subscription Agreements and the Warrant in any material respect;

- (ff) there has not been any material change in the assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation from the position set forth in the Documents which has not been disclosed in the Public Record, and there has not been any Material Adverse Change on the Corporation since January 1, 2017 and since that date there have been no material facts, transactions, events or occurrences which, to the knowledge of the Corporation, could reasonably be expected to constitute a Material Adverse Effect on the Corporation and its Subsidiaries (taken as a whole);
- (gg) the Corporation Financial Statements are complete and accurate in all material respects and fairly present, in accordance with IFRS, consistently applied, the financial position and condition, results of the operations, cash flows and other information of the Corporation and its Subsidiaries (on a consolidated basis), as applicable, as at the dates thereof and for the periods then ended, and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation and its Subsidiaries, as applicable, as at the respective dates thereof, that are required to be disclosed therein in accordance with IFRS;
- (hh) the Corporation has not completed any transaction or "significant acquisitions" (as such term is defined in NI 51-102), nor are there any proposed significant acquisitions, that would require, pursuant to NI 44-101, any financial statements of a party other than the Corporation or pro forma financial statements in respect thereof to be included in the Prospectuses;
- (ii) there has not been any reportable event (within the meaning of Section 4.11 of NI 51-102) with the Corporation's Auditors;
- (jj) neither the Corporation nor any of its Subsidiaries is party to or bound by any agreement of guarantee, indemnification (other than indemnification of directors and officers in accordance with applicable law and the constating documents of the Corporation or its Subsidiaries, as applicable, and indemnification agreements or covenants made or given in the ordinary course of business, including without limitation pursuant to operating and similar agreements, the subscription agreements previously entered into by the Corporation in connection with the sale of Common Shares issued on a "flow-through" basis pursuant to the Tax Act, purchase and sale agreements, transfer agency agreements, underwriting agreements, agency agreements or credit borrowing agreements) or any

other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any person other than the Corporation or one of its Subsidiaries;

- (kk) neither the Corporation nor any of its Subsidiaries have any loans or other indebtedness outstanding with any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation or any of its Subsidiaries, whether as lender or borrower;
- (ll) there are no actions, suits, proceedings or inquiries in existence or pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any of its Subsidiaries, at law or in equity, before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which constitutes or could reasonably be expected to constitute a Material Adverse Effect on the Corporation and its Subsidiaries (taken as a whole) or which adversely affects or could reasonably be expected to adversely affect the distribution of the Offered Units or the Flow-Through Shares or the ability of the Corporation to consummate the transactions contemplated by this Agreement, the Subscription Agreements or the Warrant Indenture or to duly observe and perform any of its covenants or obligations contained in this Agreement, the Subscription Agreements and the Warrant Indenture, and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;
- (mm) the Documents and other records forming the Public Record, as such relates to the business, operations, results of operations, affairs, assets, capitalization, financial condition, rights or liabilities of the Corporation and its Subsidiaries (taken as a whole), did not contain any misrepresentation, as of the respective dates of such Document or other records, and complied with Applicable Securities Laws in all material respects, and the Corporation has not filed any confidential material change reports which continue to be confidential;
- (nn) the Corporation has provided the Agent with full access to all material due diligence materials requested by the Agent;
- (oo) the authorized capital of the Corporation consists of an unlimited number of Common Shares, of which, as at the date hereof, 89,094,385 Common Shares are currently issued and outstanding, each of which is validly issued, fully paid and non-assessable;
- (pp) as at the date hereof, no person, firm, corporation or other entity holds any securities convertible or exchangeable into shares of the Corporation or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or other acquisition of any unissued securities of the Corporation except for 38,444,484 Common Share purchase warrants, each entitling the holder thereof to acquire one Common Share per warrant at an exercise price of \$0.17 (subject to adjustment) at any time prior to June 13, 2019;
- (qq) Computershare Trust Company of Canada is the appointed registrar and transfer agent for the Common Shares;
- (rr) none of the Securities Commissions, the SEC, the Exchange or, to the knowledge of the Corporation, any other securities commission or similar regulatory authority in Canada or

the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened, and the Corporation is not in default of any material requirement of Applicable Securities Laws;

- (ss) the issued and outstanding Common Shares are listed and posted for trading on the Exchange, and the Corporation will: (i) have received from the Exchange, on or prior to the Closing Date, conditional approval for the listing of the Flow-Through Shares, the Underlying Shares and the Warrant Shares on the Exchange; and (ii) use its commercially reasonable efforts to obtain conditional approval for the listing of the Underlying Warrants on the Exchange (provided that the distribution of the Underlying Warrants satisfies Exchange listing criteria);
- (tt) the Corporation is in compliance with the rules and regulations of the Exchange in all material respects;
- (uu) other than pursuant to Applicable Securities Laws and the rules and policies of the Exchange, no authorization, approval or consent of any court or governmental authority or agency is required to be obtained by the Corporation in connection with the issuance of the Offered Securities;
- (vv) other than as provided for in this Agreement, neither the Corporation nor any of its Subsidiaries has incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the issuance of the Offered Securities contemplated hereby;
- (ww) to the knowledge of the Corporation, other than rights of first refusal and similar rights in favour of working or joint interest owners in assets and properties not owned 100% by the Corporation or any of its Subsidiaries or as disclosed in the Public Record, it is not aware of any outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the material rights, title, interests, property or assets of the Corporation or any of its Subsidiaries;
- (xx) to the knowledge of the Corporation, none of its current directors or officers are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (yy) the Corporation and its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks in such amounts as are prudent and customary in the businesses in which it is engaged; and all policies of insurance insuring the Corporation, its Subsidiaries and each of their respective businesses, assets, employees, officers and directors are in full force and effect, except where the failure to be in full force and effect would not reasonably be expected to constitute a Material Adverse Effect;
- (zz) other than operating leases or office leases, there are no material contracts or agreements out of the ordinary course of business to which the Corporation or any of its Subsidiaries is a party or by which the Corporation or any of its Subsidiaries is bound;

- (aaa) to the knowledge of the Corporation, no other party is in default in the observance or performance of any term or obligation to be performed by it under any contract to which either the Corporation or any of its Subsidiaries is a party or by which it is bound which is material to the business of the Corporation and its Subsidiaries (taken as a whole), and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to constitute a Material Adverse Effect;
- (bbb) other than as disclosed in the Due Diligence Responses, the Corporation has not entered into any Swaps;
- (ccc) the Corporation does not have in place a shareholder rights protection plan;
- (ddd) the definitive form of certificate for the Common Shares has been, and the definitive form of certificate for the Underlying Warrants, if any, will, on the Closing Date, be, duly approved and adopted by the Corporation and comply with the ABCA and requirements of the Exchange, as applicable;
- (eee) the Corporation is a "reporting issuer" or equivalent status in each of the provinces of British Columbia, Alberta and Ontario within the meaning of Applicable Securities Laws;
- (fff) to the knowledge of the Corporation, no officer or director of the Corporation is subject to any limitations or restrictions on their activities or investments, including any non-competition provisions, that would limit or restrict their involvement with the Corporation or business affairs of the Corporation in any material respect;
- (ggg) neither the Corporation nor, to the knowledge of the Corporation, any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation;
- (hhh) if the Corporation does not renounce to a Subscriber effective on or before December 31, 2018 Qualifying Expenditures equal to their Individual Commitment Amount, the Corporation shall indemnify such Subscriber as to, and pay to such Subscriber in full settlement thereof, an amount equal to any tax payable or which may become payable under the Tax Act (and under any corresponding provincial legislation) by such Subscriber (in the event the Subscriber is a partnership, the members thereof) as a result of such failure such payment to be made forthwith once the amount is definitely determined;
- (iii) the Corporation will deliver to each Subscriber at the Subscriber's address set forth in the applicable Subscription Agreement, not later than March 15, 2019, a Form T101 setting forth the aggregate amounts of Qualifying Expenditures renounced to the Subscriber pursuant to the Subscription Agreement for filing with the Subscriber's tax return;
- (jjj) subject to the requirements of the Tax Act, the Corporation will not reduce the amount to be renounced to a Subscriber under their respective Subscription Agreement and, in the event the amount renounced to the Subscriber under their respective Subscription Agreement is reduced pursuant to the Tax Act, the Corporation shall indemnify such Subscriber as to, and pay in full settlement thereof to such Subscriber, forthwith once the amount is definitely determined, an amount equal to the amount of any tax payable or which may become payable under the Tax Act (and under any corresponding provincial

legislation) by such Subscriber (in the event the Subscriber is a partnership, the members thereof) as a consequence of such reduction;

- (kkk) to the extent that any Subscriber that is a disclosed principal in a Subscription Agreement is entitled to be indemnified pursuant to subsection 7(hhh) or subsection 7(jjj) and is not a signatory to the subject Subscription Agreement, the Agent that signs the Subscription Agreement as agent for the disclosed principal that is a Subscriber shall obtain and hold the rights and benefits of the subject Subscription Agreement in trust for, and on behalf of, such person (provided that such person is a disclosed principal for whom the Subscriber is acting) and such person shall be entitled to enforce the provisions of subsection 7(hhh) and subsection 7(jjj) notwithstanding that such person is not a signatory to the subject Subscription Agreement;
- (lll) the Corporation has not and will not enter into transactions or take deductions which would otherwise reduce its cumulative CEE to an extent which would preclude a renunciation of Qualifying Expenditures hereunder in an amount equal to the Commitment Amount effective on or before December 31, 2018 in respect of the Flow-Through Shares;
- (mmm) the Corporation will file all forms required under the Tax Act with respect to the issuance of the Flow-Through Shares as "flow-through shares" as defined in subsection 66(15) of the Tax Act or that are necessary to effectively renounce Qualifying Expenditures equal to the Commitment Amount of the Subscribers effective on or before December 31, 2018 and, in particular, to file with the Canada Revenue Agency: (i) the form prescribed by subsection 66(12.68) of the Tax Act together with a copy of the Subscription Agreement and any "selling instruments" contemplated by such subsection within the time prescribed by the Tax Act; and (ii) the form prescribed by subsection 66(12.7) of the Tax Act on or before the last day of the first month following each month in which any renunciation is made pursuant to the terms of the Subscription Agreements;
- (nnn) in respect of all amounts of Qualifying Expenditures which are to be renounced by the Corporation in favour of the Subscribers for Flow-Through Shares, the Corporation would, but for the renunciation, be entitled to claim a deduction in respect of such Qualifying Expenditures in computing its income for the purposes of Part I of the Tax Act if it had sufficient income;
- (ooo) the Corporation is a "principal-business corporation" as defined in subsection 66(15) of the Tax Act and at all times relevant to the incurring and renouncing of Qualifying Expenditures, will maintain its status as a "principal-business corporation";
- (ppp) except as a result of any agreement, arrangement, understanding or undertaking to which the Corporation is not a party and of which it has no knowledge, upon issuance, the Offered Flow- Through Shares will be "flow-through shares" as defined in subsection 66(15) of the Tax Act and will not constitute "prescribed shares" for the purpose of Regulation 6202.1 of the Tax Act;
- (qqq) as at the date hereof, the Corporation has no reason to: (i) believe that it will be unable to incur or be deemed to have incurred Qualifying Expenditures during the Expenditure Period in respect thereof in an amount equal to the Commitment Amount; (ii) believe that it will be unable to renounce to the Subscribers effective on or before December 31, 2018, Qualifying Expenditures in an amount equal to the Commitment Amount; or

- (iii) expect any reduction of any such amounts by virtue of subsection 66(12.73) of the Tax Act;
- (rrr) the Corporation will not be subject to the provisions of subsection 66(12.67) of the Tax Act in a manner which impairs its ability to renounce Qualifying Expenditures to the Subscribers in an amount equal to the Commitment Amount;
- (sss) the Corporation shall renounce to Subscribers Qualifying Expenditures with respect to the Subscription Agreements pro rata by number of Flow-Through Shares issued or to be issued pursuant thereto prior to or concurrently with renouncing Qualifying Expenditures pursuant to any flow-through share subscription agreements dated after the Closing Date;
- (ttt) the Corporation will incur or be deemed to have incurred Qualifying Expenditures during the Expenditure Period in respect of Flow-Through Shares in such amounts as enables the Corporation to renounce to each Subscriber Qualifying Expenditures in an amount equal to the Subscriber's respective Individual Commitment Amount;
- (uuu) the Corporation will renounce to each Subscriber, effective on or before December 31, 2018 Qualifying Expenditures in an amount equal to their respective Individual Commitment Amount;
- (vvv) the Corporation does not have any outstanding obligations to incur and/or renounce CEE to any other person;
- (www) if the Corporation is required under the Tax Act to reduce Qualifying Expenditures previously renounced to the Subscribers, the Corporation shall make such reduction pro rata by the aggregate number of Flow-Through Shares issued or to be issued pursuant to the Offering provided that the Corporation shall not reduce Qualifying Expenditures renounced under the Subscription Agreements until it has first reduced to the extent possible expenditures renounced pursuant to any flow-through share subscription agreements entered into by the Corporation subsequent to Subscription Agreements entered into under the Offering;
- (xxx) the Due Diligence Responses will be true and correct where they relate to matters of fact, and in all material respects as at the time such responses are given and such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given. Where the Due Diligence Responses reflect the opinion or view of the Corporation or its representatives (including, Due Diligence Responses or portions of such Due Diligence Responses, which are forward looking or otherwise related to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward Looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Responses including references to the Public Record and will be honestly held and believed to be reasonable at the time they are given provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-Looking Statements; and
- (yyy) the Corporation and each of its Subsidiaries is now and at all times has been in compliance with all applicable anti-bribery and anti-corruption laws; neither the Corporation nor any of its Subsidiaries will authorize, offer or make payments directly or

indirectly to any individual, person or other entity that would result in a violation of any applicable anti-bribery or anti-corruption laws; and no part of the proceeds received from the Offering will be used for any purpose that could constitute a violation of the laws of Canada or any other applicable anti-bribery or anti-corruption laws.

## 8. Conditions

The obligations of the Agent hereunder shall be conditional upon the Agent receiving at the Closing Time:

- (a) a legal opinion of the Corporation's Counsel in Canada (addressed to the Agent and, if Agent's Counsel will itself be delivering a legal opinion to the Agent, Agent's Counsel) in form and substance satisfactory to the Agent, acting reasonably, relating to the offering, issuance and sale of the Offered Securities and as to all other legal matters, including compliance with Applicable Securities Laws of the Qualifying Provinces, in any way connected with the Offering as the Agent may reasonably request (subject to such qualifications and assumptions as may be determined by such counsel). It is understood that the Corporation's Counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than the jurisdiction of residence of such counsel and on certificates or other records provided by officers of the Corporation, the transfer agent of the Common Shares, the Exchange, regulatory bodies, governmental agencies and the Corporation's Auditors as to relevant matters of fact;
- (b) if any Offered Units are sold in the United States or to, or for the account or benefit of, U.S. Persons, a favourable legal opinion by the Corporation's United States counsel in form and substance reasonably satisfactory to the Agent, acting reasonably, which opinion may be subject to usual and customary qualification for opinions of this type, to the effect that no registration under the U.S. Securities Act is required for the offer and sale of the Offered Units in the United States by the Corporation and the Agent pursuant to and in accordance with the terms of this Agreement provided, that the offer and sale of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons is made in accordance with Schedule "A" hereto and the U.S. Private Placement Memorandum, it being understood that the Corporation's United States counsel may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others, and it being further understood that such counsel shall not be required to provide any legal opinion with regard to the exercise of the Warrants, if available, or subsequent transfer of any of the Offered Units and/or any underlying securities;
- (c) a certificate of the Corporation dated the Closing Date addressed to the Agent and signed on behalf of the Corporation by the President and Chief Executive Officer and the Chief Financial Officer of the Corporation or such other officers of the Corporation satisfactory to the Agent, acting reasonably, certifying, on behalf of the Corporation and without personal liability, that:
  - (i) the Corporation has complied with and satisfied all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time, other than those which have been waived in writing by the Agent;
  - (ii) the representations and warranties of the Corporation set forth in this Agreement are true and correct at the Closing Time, as if made at such time (other than for

representations and warranties made as of a specified date which shall remain true and correct as of such date);

- (iii) no event of a nature referred to in subsection 5(a), subsection 5(a)(i), subsection 13(a), subsection 13(b) or subsection 13(d) has occurred or to the knowledge of such officer is pending, contemplated or threatened;
- (iv) the Corporation has made and/or obtained, on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances under Canadian Securities Laws, and under any applicable agreement or document to which the Corporation is a party or by which it is bound, required for the execution and delivery of this Agreement, the offering and sale by the Corporation of the Offered Units and the Flow-Through Shares in the Qualifying Provinces and the consummation of the other transactions contemplated hereby (except for any filings, approvals, consents and acceptances which are to be made or obtained subsequent to the Closing Time in accordance with Canadian Securities Laws);
- (v) there have been no material changes to the Due Diligence Responses not disclosed to the Agent, in writing,

and the Agent shall have no knowledge to the contrary;

- (d) a comfort letter of the Corporation's Auditors and any other auditors who have audited any of the financial statements included in or incorporated by reference in the Prospectus, addressed to the Agent and dated the Closing Date, satisfactory in form and substance to the Agent, acting reasonably, bringing the information contained in the comfort letters referred to in subsection 3(e) hereof up to the Closing Time, which comfort letters shall be not more than two Business Days prior to the Closing Date;
- (e) evidence satisfactory to the Agent, acting reasonably, that the Corporation has obtained all necessary third party approvals and all necessary approvals of the Exchange for the issuance of the Offered Securities, including, but not limited to, that the Offered Units, the Flow-Through Shares, the Underlying Shares, the Warrants the Warrant Shares and subject to the satisfaction by the Corporation of the conditions imposed by the Exchange and upon notice to the Exchange of the completion of the closing of the Offering, shall be posted for trading on the Closing Date;
- (f) executed copies of the Subscription Agreements;
- (g) evidence satisfactory to the Agent, acting reasonably, that the Corporation has closed the Concurrent Private Placement; and
- (h) such other certificates and documents as the Agent may request, acting reasonably.

## **9. Deliveries**

- (a) The sale of the Initial Units and the Flow-Through Shares to be sold hereunder shall be completed at the Closing Time at the offices of the Corporation's Counsel in Vancouver, British Columbia or at such other place as the Corporation and the Agent may agree. Subject to the conditions set forth in Section 8, the Agent, on the Closing Date, shall deliver to the Corporation, by wire transfer: (i) an amount equal to \$0.21 per Initial Unit

sold; and (ii) an amount equal to \$0.22 per Flow-Through Share sold, and completed copies of the Subscription Agreements subject only to execution by the Corporation against delivery by the Corporation of:

- (i) the opinions, certificates and documents referred to in Section 8; and
  - (ii) definitive certificates or evidence of book-entry registration as set out in subsection 9(c) representing, in the aggregate, all of the Initial Units and the Flow-Through Shares registered, subject to subsection 9(c) below, in the name of CDS & Co. or in such name or names as the Agent shall notify the Corporation in writing not less than 48 hours prior to the Closing Time; and
  - (iii) payment to the Agent, by certified cheque, bank draft or wire transfer or such other means as the Corporation and the Agent may agree, of the Agent's Fee in accordance with subsections 10(a), 10(b) and 10(c) in respect of the Initial Units and the Flow-Through Shares.
- (b) The sale of the Option Units, if applicable, shall be completed at the offices of the Corporation's Counsel in Vancouver, British Columbia or at such other place as the Corporation and the Agent may agree, on the date (the "**Additional Closing Date**") and at the time ("**Additional Closing Time**") specified by the Agent in the written notice given by the Agent pursuant to its election to sell such Option Units (provided that in no event shall such time be: (A) earlier than the Closing Time; or (B) earlier than two or later than ten Business Days after the date of the written notice of the Agent to the Corporation in respect of the Option Units), or at such other time and date as the Agent and the Corporation may agree upon in writing. Subject to the conditions set forth in Section 8 (with the references therein to the Closing Time changed to the Additional Closing Time), the Agent, at the Additional Closing Time, shall deliver, if and as applicable, to the Corporation by certified cheque, bank draft or wire transfer or such other means as the Corporation and the Agent may agree, the amount of \$0.21 per Option Unit agreed to be sold by the Agent from the Corporation pursuant to the exercise of the Over-Allotment Option (being an aggregate of \$449,999.55 if the Over-Allotment Option is exercised in full in respect of the Option Units), against delivery by the Corporation of:
- (i) the opinions, certificates and documents referred to in Section 8 (with the references therein to the Closing Time and Closing Date changed to the Additional Closing Time and Additional Closing Date respectively);
  - (ii) definitive certificates or evidence of book-entry registration as set out in subsection 9(c) representing, in the aggregate, all of the Option Units agreed to be sold pursuant to the exercise of the Over-Allotment Option registered, subject to subsection 9(c) below, in the name of CDS & Co. or in such name or names as the Agent shall notify the Corporation in writing not less than 48 hours prior to the Additional Closing Time; and
  - (iii) payment to the Agent, by certified cheque, bank draft or wire transfer or such other means as the Corporation and the Agent may agree, of the Agent's Fee provided for in subsection 10(d) in respect of the Option Units.

Whether or not specifically contemplated in this Agreement, all provisions of this Agreement shall apply in the same manner and upon the same terms and conditions in

respect of any Option Units as would apply to the Initial Units issued and sold pursuant to this Agreement, and any steps to be taken or conditions to be satisfied at the Additional Closing Time shall be the same as those steps to be taken or conditions to be satisfied at the Closing Time.

- (c) If the Corporation determines to issue the Offered Units and Flow-Through Shares as a book-entry only security (other than in the United States or to U.S Persons who shall only have certificated securities) in accordance with the rules and procedures of CDS Clearing and Depository Services Inc. ("CDS"), then, as an alternative to the Corporation delivering to the Agent definitive certificates representing the Offered Units and Flow-Through Shares sold pursuant to the Offering in the manner and at the times set forth in this Section 9:
- (i) the Agent will provide a direction to CDS with respect to the crediting of the Offered Units and the Flow-Through Shares to the accounts of the participants of CDS as shall be designated by the Agent in writing in sufficient time prior to the Closing Date to permit such crediting; and
  - (ii) the Corporation shall cause Computershare Trust Company of Canada as registrar and transfer agent of the Underlying Shares, Underlying Warrants and the Flow-Through Shares, to deliver to CDS, on behalf of the Agent, fully registered global certificates for the each of the Underlying Shares, Underlying Warrants and Flow-Through Shares sold hereunder, registered in the name of "CDS & Co." as the nominee of CDS, to be held by CDS as a book-entry only security in accordance with the rules and procedures of CDS or to issue electronically and register through the non-certificated inventory process the Underlying Shares, Underlying Warrants and Flow-Through Shares (or such portion of the Underlying Shares, Underlying Warrants and Flow-Through Shares that are to be issued electronically), such electronic issuance being registered in the name of "CDS & Co." (or such other name as the Agent may direct).

## 10. Agent's Fee

In consideration for their services hereunder, the Corporation agrees to pay the Agent a cash fee equal to: (i) \$175,000; plus (ii) 7% of the gross proceeds of the Offering (including any proceeds received in respect of the Over-Allotment Option) (the "**Agent's Fee**"), payable as follows:

- (a) at the Closing Time, a fee of \$0.0147 per Initial Unit sold;
- (b) at the Closing Time, a fee of \$0.0154 per Flow-Through Share sold;
- (c) at the Closing Time, a general capital markets advisory fee of \$175,000; and
- (d) at any Additional Closing Time, a fee of \$0.0147 per Option Unit purchased.

For greater certainty, the services provided by the Agent in connection herewith will not be subject to the *Goods and Services Tax or Harmonized Sales Tax* ("**GST**") provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that the Canada Revenue Agency determines that GST provided for in the *Excise Tax Act* (Canada) is exigible on the Agent's Fee, the Corporation agrees to pay the amount of GST forthwith upon

the request of the Agent. The Corporation also agrees to pay the Agent's expenses as set forth in Section 11 hereof.

The Corporation's obligation to pay the Agent's Fee shall be wholly satisfied and discharged, and no Agent has any claim against the Corporation for payment of the Agent's Fee or any portion thereof, if the Corporation pays such amount to the Agent in accordance with Section 9.

## **11. Expenses**

Whether or not the transactions contemplated herein shall be completed, all reasonable costs and expenses of or incidental to the creation, issue, sale or distribution of the Offered Securities shall be borne by the Corporation, including, without limitation, all costs and expenses of or incidental to the preparation, filing, reproduction (including commercial copies, as applicable) of the Subscription Agreements, the Preliminary Prospectus, the Amended Preliminary Prospectus the Prospectus, the U.S. Placement Memorandum, any Supplementary Material and the delivery thereof to the Agent, the fees and expenses of the Corporation's Counsel, agent counsel retained by the Corporation's Counsel and the Corporation's Auditors, and the reasonable and documented out-of-pocket expenses incurred by the Agent in connection with the Offering and their services to the Corporation hereunder (including, without limitation, travel expenses, news release dissemination costs, the fees, disbursements and expenses of Agent's Counsel and counsel to the Agent in the United States, if any). All costs and expenses incurred by the Agent which are reimbursable hereunder shall be payable by the Corporation on the Closing Date provided that the Corporation shall have received documented particulars of the amounts claimed.

## **12. Waiver**

The Agent may, in respect of the Corporation, waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, covenant, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of its rights in respect of any other representation, warranty, covenant, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, covenant, term or condition hereof, provided that any such waiver or extension shall be binding on an Agent only if the same is in writing and executed by such Agent.

## **13. Termination**

The Agent may, at its option, terminate its obligations to the Corporation hereunder, without any liability on the Agent's part, by written notice to the Corporation, in the event that after the date hereof and at or prior to the Closing Time:

- (a) any order, action or proceeding which cease trades, suspends or otherwise operates to prevent, prohibit or restrict the distribution or trading of the Common Shares, Common Shares issuable pursuant to any Offered Securities or any other securities of the Corporation is made or proceedings are announced, commenced or threatened for the making of any such order, action or proceeding by a securities regulatory authority;
- (b) there should occur or be announced or discovered any material change, change of a material fact, occurrence or event of the nature referred to in Section 5(a) or any development that could result in a material change or a change of a material fact with respect to the Corporation and its Subsidiaries (taken as a whole) which, in the sole opinion of the Agent, acting reasonably, would be expected to have a Material Adverse

Effect on the business, operations or affairs of the Corporation and its Subsidiaries (taken as a whole) or the market price or value of the Offered Securities,

- (c) any inquiry, action, suit, investigation or other proceeding, whether formal or informal (including matters of regulatory transgression or unlawful conduct), is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the TSX Venture Exchange or any securities regulatory authority or any law or regulation is enacted or changed which would cease trading in the Corporation's securities or, in the opinion of the Agents (or any of them), acting reasonably and in good faith, operates to prevent or restrict materially the trading or distribution of the securities of the Corporation or materially adversely affects or will materially adversely affect the market price, value or marketability of the securities of the Corporation;
- (d) 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 accident) or any new law or regulation is enacted (including a change in any existing law or regulation), which in the opinion of the Agent, acting reasonably and in good faith, seriously adversely affects, or involves, or will, or could reasonably be expected to, seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Corporation and its subsidiaries, taken as a whole;
- (e) the Agent determines that the Corporation is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect and cannot be cured;
- (f) the Agent shall become aware, as a result of its due diligence review or otherwise, of any adverse material change with respect to the Corporation (in the sole opinion of the Agent, acting reasonably) which had not been publicly disclosed or disclosed to the Agent prior to the date hereof and which would have a material adverse effect on the market price or value of the Common Shares;
- (g) there shall occur any change in the U.S., Canadian or international financial, political or economic conditions the effect of which is such as to make it, in the reasonable judgment of the Agent, impractical to market or to enforce contracts for the sale of the Common Shares or that would otherwise lead the Agent to reasonably determine that the Common Shares cannot be profitably marketed, including without limitation: (i) if trading or quotation in any of the Corporation's securities shall have been suspended or limited by the Exchange; or (ii) trading in securities generally on the Exchange shall have been suspended or limited; or (iii) the declaration of any banking moratorium by any Canadian, or U.S. federal authorities; or (iv) any major disruption of settlements of securities or payment or clearance services in the United States or Canada where the securities of the Corporation are listed; and
- (h) the Agent becomes aware, as a result of its due diligence review, of any adverse material information, fact or change (determined solely by the Agent, acting reasonably) with respect to the Corporation and its Subsidiaries (taken as a whole) which had not been publicly disclosed or disclosed or made available in writing to the Agent prior to the date hereof or which occurred after the effective date hereof but prior to the Closing Time

which in the sole opinion of the Agent, acting reasonably, could be expected to have a Material Adverse Effect on the market price or value of the Offered Securities,

and in any of such cases, the Agent shall be entitled, at its option, to terminate and cancel its obligations to the Corporation under this Agreement.

The Agent may exercise any or all of the rights provided for in Section 8, Section 12 or this Section 13 notwithstanding any material change, change, event or state of facts and notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agent related to the Offering. The Agent shall only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 8, Section 12 or this Section 13 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation, provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Section 10, Section 14, Section 15, Section 16, Section 17 or Section 18, as applicable. The rights of the Agent to terminate its obligations hereunder are in addition to, and without prejudice to, any other remedies it may have.

#### **14. Survival of Representations and Warranties**

All representations, warranties, terms and conditions herein (including, without limitation, those contained in Sections 6 and 7) or contained in certificates delivered pursuant to this Agreement shall survive the payment by the Agent for the Offered Units and the Flow-Through Shares and the distribution of the Offered Units, the Flow-Through Shares, the Underlying Shares, the Underlying Warrants and the Warrant Shares pursuant to the Prospectus and the U.S. Placement Memorandum and shall continue in full force and effect for the benefit of the Agent or the Corporation, as applicable, regardless of any investigation by or on behalf of the Agent, or the Corporation, as applicable, with respect thereto.

#### **15. Indemnity**

The Corporation agrees to indemnify and save each of the Indemnified Persons harmless from and against any and all losses (other than losses of profits), expenses, claims (including shareholder actions, derivative or otherwise), actions, damages, not including indirect, special and consequential damages, and liabilities, 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 Person or in enforcing this indemnity (collectively, the "**Claims**") to which any Indemnified Person may be subject or which any of the Indemnified Persons may suffer or incur (other than as a result of the acquisition, holding or disposition of Flow Through Shares by such Indemnified Person, as principal) whether under the provisions of any statute or otherwise, in any way caused by, or arising directly from or in consequence of the engagement of the Agent in connection with the Offering, including:

- (a) any information or statement contained in the Subscription Agreements, the Preliminary Prospectus, the Amended Preliminary Prospectus the Prospectus, the U.S. Placement Memorandum, any Supplementary Material or in any other document delivered by or on behalf of the Corporation pursuant hereto (other than any information or statement relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus, the Amended Preliminary Prospectus, the

Prospectus, the U.S. Placement Memorandum or any Supplementary Material or such other document or material) which is or is alleged to be untrue or any omission or alleged omission to provide therein any information or state any fact (other than any information or fact relating solely to the Agent) the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made (other than in connection with any information or materials prepared solely by, provided solely by, or relating solely to, the Agent);

- (b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Subscription Agreement, the Preliminary Prospectus, the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum, any Supplementary Material or in any document or other part of the Public Record) contained in the Subscription Agreement, the Preliminary Prospectus, the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum, any Supplementary Material filed by or on behalf of the Corporation;
- (c) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Securities imposed by any Securities Commission or any other competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in subsection 15(b) (other than in connection with any information or materials prepared solely by, provided solely by or relating solely to the Agent);
- (d) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any Securities Commission or any other one or more competent authorities into the affairs of the Corporation or any of its respective directors, officers or principal shareholders or relating to or affecting the trading or distribution of the Offered Securities;
- (e) any breach of, default under or non-compliance by the Corporation with any requirements of the Applicable Securities Laws, the rules or regulations of the Exchange or any representation, warranty, term or condition of this Agreement,

provided that in the event and to the extent that a court of competent jurisdiction in a final non-appealable judgment or a regulatory authority in a final ruling from which no appeal can be made determines that a Claim was caused by or resulted from an Indemnified Person's gross negligence, fraud, wilful misconduct, this indemnity shall not apply to such Indemnified Person with respect to such matter.

Promptly after receiving notice of an action, suit, proceeding, investigation or claim against the Agent or any other Indemnified Person 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 Corporation, such Agent or any such other Indemnified Person will notify the Corporation in writing of the particulars thereof, provided that the omission so to notify the Corporation shall not relieve the Corporation of any liability which it has to the Agent or any other Indemnified Person except and 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, investigation or claim or results in any material increase in the liability which the Corporation has under this indemnity.

If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Agent or any other Indemnified Person or is insufficient to hold the Agent or any other Indemnified

Person harmless, the Corporation shall contribute to the amount paid or payable by the Agent or any other Indemnified Person as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Agent or any other Indemnified Person on the other hand but also the relative fault of the Corporation, the Agent or any other Indemnified Person as well as any relevant equitable considerations, provided that the Corporation shall in any event contribute to the amount paid or payable by the Agent or any other Indemnified Person as a result of such Claim any excess of such amount over the amount of the commissions and other consideration received by the Agent under this Agreement.

The Corporation also agrees to reimburse the Agent for the time reasonably spent by its personnel in connection with any Claim at their normal per diem rates if the Indemnified Parties are entitled to indemnification hereunder. The Agent may retain one counsel to separately represent them in the defence of a Claim, which shall be at the Corporation's expense if: (i) the Corporation does not promptly assume the defence of the Claim; (ii) the Corporation agrees to separate representation; or (iii) the Agent is advised by counsel in writing that there is an actual or potential conflict in the Corporation and the Agent's respective interests or additional defences are available to the Agent, which makes representation by the same counsel inappropriate; provided that in any event the Corporation will not be responsible for the costs of more than one additional counsel for all of the Indemnified Parties.

The obligations of the Corporation hereunder are in addition to any liabilities which the Corporation may otherwise have to the Agent or any other Indemnified Person.

The Corporation agrees that in case any legal proceedings or investigation shall be brought against or initiated against the Corporation by any regulatory authority, stock exchange, court or other competent authority and an Indemnified Person or other representative of the Agent shall be required to testify or respond to procedures designed to discover information regarding, in connection with or relating to the performance of professional services rendered to the Corporation by the Agent hereunder, the Corporation shall pay the Agent the reasonable costs (including an amount to reimburse the Agent for the time spent by their personnel in connection therewith on a per diem basis and out-of-pocket expenses) in connection therewith unless such proceedings or investigations shall be brought or initiated as a result of any gross negligence, fraud, wilful misconduct or any actions or inactions of the Agent or any of their respective representatives or affiliates, or of any member of the Selling Dealer Group or any of their respective representatives or affiliates.

## **16. Notice of Indemnity Claim**

If any claim contemplated by Section 15 hereof shall be asserted against any of the Indemnified Persons in respect of which indemnification is or might reasonably be considered to be provided for in such section, such Indemnified Person shall notify the Corporation as soon as possible of the nature and particulars of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim, provided however, that the defence shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person acting reasonably and that no admission of liability or settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by Section 15 if:

- (a) the Indemnified Person has been advised in writing by counsel that there may be a reasonable legal defence available to the Indemnified Person which is different from or additional to a defence available to the Corporation or that a conflict of interest exists or reasonably may exist, which in any case makes representation by counsel selected by the

Corporation not advisable (in which case the Corporation shall not have the right to assume the defence of such proceedings on the Indemnified Person's behalf);

- (b) the Corporation shall not have undertaken the defence of such proceedings, or indicated its intent to do so, and engaged counsel within ten days after notice of commencement of such proceedings; or
- (c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his own client basis) shall be paid by the Corporation; it being understood, however, that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate law firm (in addition to any local counsel) for all Indemnified Persons.

The Corporation hereby waives its rights to recover contribution from the Agent with respect to any liability of the Corporation by reason of or arising out of any misrepresentation made by the Corporation in the Preliminary Prospectus, the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Public Record provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon information relating solely to the Agent contained in such document and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus, the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Public Record.

It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of Section 15, Section 16 and Section 17 and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

If the Corporation has assumed the defense of any proceeding brought to enforce a claim hereunder, the Indemnified Person shall cooperate in the defense including, without limitation, by providing documents, taking actions necessary to preserve its rights to object or defend against the claim, and causing appropriate directors, officers, employees and agents to give witness statements, attend examinations for discovery, make affidavits, meet with counsel, testify and divulge all information reasonably required to defend or prosecute the proceeding.

#### **17. Admission of Liability**

No admission of liability shall be made by an Indemnified Person without the prior written consent of the Corporation such consent not to be unreasonably withheld and the Corporation shall not be liable for any settlement of any such matters made without its consent.

#### **18. Right of Contribution**

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason, held by a court to be unavailable from the Corporation on grounds of policy or otherwise, the Corporation and the party or parties seeking indemnification shall contribute to the aggregate liabilities,

claims, demands, losses (other than losses of profit), costs, damages and expenses (or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand and by the Agent on the other hand from the Offering; or
- (b) if the allocation provided by subsection 18(a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subsection 18(a) above but also to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statement, omission, misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation on the one hand, and the Agent, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Corporation (net of fees but before deducting expenses) bear to the consideration received by the Agent. In the case of liability arising out of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum, any Supplementary Material or any other part of the Public Record, the relative fault of the Corporation, on the one hand, and of the Agent, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter referred to in Section 15 relates to information supplied or which ought to have been supplied by the Corporation or the Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter referred to in Section 15.

The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit), costs, damages and expenses (or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or proceedings in respect thereof), whether or not resulting in any proceeding.

Each of the Corporation and the Agent agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding sections. The rights to contribution provided in this Section 18 shall be in addition to, and without prejudice to, any other right to contribution which the Agent may have.

Any liability of the Agent under this Section 18 shall be limited to the amount paid to the Agent pursuant to Section 10.

## **19. Restrictions on Offerings**

The Corporation agrees that, from the date hereof and ending on the date that is 90 days following the Closing Date, it will not issue, offer, or announce the offering of, or make or announce any agreement to issue, sell, or exchange Common Shares or securities convertible or exchangeable into Common Shares without the prior consent of the Agent, not to be unreasonably withheld or delayed, provided that notwithstanding the foregoing, the Corporation may, without such consent: (i) issue Over-Allotment

Units or Over-Allotment Flow-Through Shares pursuant to the Over-Allotment Option; (ii) grant options to directors, officers, consultants or employees of the Corporation pursuant to the Corporation's stock option plan; (iii) issue Common Shares on exercise of outstanding stock options granted under such plan and upon exercise of rights, warrants and other convertible securities currently outstanding; and (iv) issue Common Shares to acquire, directly or indirectly, an interest or interests in oil and gas properties and related interests from arm's length third parties. The Corporation further acknowledges and understands that it will use its reasonable commercial efforts to cause its officers and directors to enter into an agreement with the Agent pursuant to which each of such individuals will agree not to sell, transfer or pledge, or otherwise dispose of, any securities of the Corporation (other than in connection with the disposition of Common Shares of the Corporation upon the exercise of outstanding stock options) until the date which is 90 days after the Closing Date, in each case without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed.

If the Corporation does not proceed with the Offering for any reason(s) within the scope of its control and, during the period of six months after the termination of this Agreement, the Corporation enters into a binding agreement in respect of an Alternative Transaction, the Corporation agrees to pay the Agent's Fee and expenses of the Agent in accordance with Section 11, to the extent such fees and expenses have not already been paid by the Corporation.

## **20. Notices**

Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation, be addressed to:

**Pulse Oil Corp.**

Suite 500, 666 Burrard Street  
Vancouver, British Columbia  
V6C 3P6

Attention: Garth Johnson, Chief Executive Officer  
Email: garth@pulseoilcorp.com

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

**Blakes, Cassels & Graydon LLP**

Suite 2600 – 595 Burrard Street  
Vancouver, BC V7X 1L3  
Attention: Susan Tomaine  
Email: susan.tomaine@blakes.com

and, in the case of notice to be given to the Agent, be addressed to:

**Mackie Research Capital Corporation**

4500, 199 Bay Street  
Toronto, Ontario M5L 1G2  
Attention: Kevin Shaw  
Email: KShaw@mackieresearch.com

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

**Burnet, Duckworth & Palmer LLP**

Suite 2400, 8th Avenue S.W.

Calgary, Alberta T2P 1G1  
Attention: P.L. (Lonny) Tetley  
Email: plt@bdplaw.com

or to such other address as the party may designate by notice given to the others. Each communication shall be personally delivered to the addressee or sent by facsimile transmission to the addressee, and:

- (a) a communication which is personally delivered shall, if delivered before 4:30 p.m. (local time) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and
- (b) a communication which is sent by facsimile transmission shall, if sent on a Business Day before 4:30 p.m. (local time), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

## **21. Stabilization**

The Corporation acknowledges that: (i) in connection with the distribution of the Offered Units and Flow-Through Shares, the Agent may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market, but in each case only as permitted by applicable law; and (ii) such stabilizing transactions, if any, may be discontinued at any time.

## **22. Acknowledgement and Consent**

The Corporation: (i) acknowledges and agrees that the Agent have certain statutory obligations as registered dealers under the Canadian Securities Laws and have relationships with their clients; and (ii) consents to the Agent acting hereunder while continuing to act for their clients. To the extent that the Agent's statutory obligations as a registered dealer under the Canadian Securities Laws or relationships with their clients conflicts with their obligations hereunder, the Agent shall be entitled to fulfill its statutory obligations as a registered dealer under Canadian Securities Laws and its duties to its clients. Nothing in this Agreement shall be interpreted to prevent the Agent from fulfilling its statutory obligations as a registered dealer under Canadian Securities Laws and its duties to its clients. Nothing in this Agreement or the nature of the Agent's involvement in the Offering shall be deemed to create a fiduciary relationship between the Agent and the Corporation or its respective shareholders, creditors, employees or any other party.

## **23. Severance**

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

## **24. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and the parties hereto irrevocably attorn and submit to the jurisdiction of the Courts of Alberta with respect to any dispute related to this Agreement.

**25. Time of the Essence**

Time shall be of the essence of this Agreement.

**26. Counterpart Execution**

This Agreement may be executed in one or more counterparts and by facsimile or electronically each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

**27. Entire Agreement**

It is understood that the terms and conditions of this Agreement, including Schedule "A", supersede any previous verbal or written agreement among the Agent and the Corporation with respect to the issuance of securities by the Corporation and including, without limitation, the agreement constituted by the acceptance of the letter agreement dated September 13, 2018, as amended September 14, 2018.

*[Signatures follow on next page]*

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Agent.

**MACKIE RESEARCH CAPITAL CORPORATION**

Per: *(signed) "Kevin Shaw"*

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Kevin Shaw  
Managing Director

ACCEPTED AND AGREED to as of the date of this Agreement.

**PULSE OIL CORP.**

Per: *(signed) "Garth Johnson"*

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Garth Johnson  
Chief Executive Officer

## SCHEDULE "A"

### TERMS AND CONDITIONS FOR UNITED STATES OFFER AND SALES

As used in this Schedule "A", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the agency agreement to which this Schedule is annexed and the following terms have the following meanings:

**"Affiliate"** means "affiliate" as that term is defined in Rule 405 under the U.S. Securities Act;

**"Directed Selling Efforts"** means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S which, without limiting the foregoing, but for greater clarity in this Schedule "A", includes, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Securities;

**"Disqualification Event"** means any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D;

**"Foreign Issuer"** means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

**"General Solicitation"** and **"General Advertising"** means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communication published in any newspaper, magazine or similar media or broadcast or disseminated over the Internet, television or radio, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

**"Offshore Transaction"** means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;

**"Regulation D"** means Regulation D adopted by the SEC under the U.S. Securities Act;

**"Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act;

**"Securities"** means the Underlying Shares and Underlying Warrants;

**"Selling Dealer Group"** means dealers or brokers other than the Agent and its U.S. Affiliates who participate in the offer and sale of Securities pursuant to the agency agreement;

**"Substantial U.S. Market Interest"** means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S; and

**"U.S. Affiliates"** means the United States registered broker-dealer affiliates of the Agent that make offers or sales of the Securities in the United States.

1. Each Agent acknowledges and agrees (for itself and its U.S. Affiliate) that the Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States (or to or for the account

or benefit of, a U.S. Person) except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws as provided in this Schedule "A". Each Agent agrees that it, its U.S. Affiliate and each member of the Selling Dealer Group will offer and sell the Securities only in Offshore Transactions and otherwise in accordance with Rule 903 of Regulation S, or in the case of the Securities offered or sold within the United States with respect to offers and sales by the applicable Agent or the Agent's U.S. Affiliate to a limited number of U.S. Accredited Investors, in accordance with all applicable state securities laws. Accordingly, the Agents, their U.S. Affiliates and any Selling Dealer Group member have not engaged and will not engage in any Directed Selling Efforts with respect to the Securities, and have complied and will comply with the requirements of Regulation S.

2. Each Agent acknowledges and agrees (for itself and its U.S. Affiliate) that it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Securities, except (a) with its U.S. Affiliates; (b) with members of the Selling Dealer Group in accordance with this paragraph 2; or (c) otherwise with the prior written consent of the Corporation. If the Agents authorize any member of the Selling Dealer Group (if any) to offer and sell Securities in the United States through a U.S. Affiliate, the Agents will cause each such firm to acknowledge in writing, for the benefit of the Corporation, its agreement to be bound by the provisions of the Agency Agreement, as applicable, and this Schedule "A" in connection with all offers and sales of the Securities in the United States.
3. Each Agent (on its own behalf and on behalf of its U.S. Affiliate) represents, warrants and covenants to the Corporation that, in connection with all sales of the Securities in the United States:
  - (a) all offers and sales of the Securities in the United States will be effected in accordance with this Schedule "A" and all applicable U.S. Securities Laws, including all applicable U.S. requirements relating to the registration and conduct of broker-dealers by the U.S. Affiliate of such Agent, each of which is and will at all material times be a duly registered broker-dealer with the SEC pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date such representation is made;
  - (b) it has not used and will not use any written material other than the U.S. Placement Memorandum, and each person in the United States purchasing the Securities and each offeree of the Securities in the United States shall be sent a copy of the U.S. Placement Memorandum prior to the time of purchase of Securities;
  - (c) immediately prior to transmitting the U.S. Placement Memorandum, it had reasonable grounds to believe and did believe that each offeree was a U.S. Accredited Investor and, on the date hereof, it continues to believe that each purchaser in the United States is a U.S. Accredited Investor, as applicable;
  - (d) neither it nor its U.S. Affiliates nor its representatives nor any person acting on its or their behalf have used, and none of such persons will use, any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer or sale of the Securities in the United States;

- (e) as soon as practical prior to the Closing Date or any Additional Closing Date, as applicable, the Agents will provide the Corporation with a list of the names and addresses of all purchasers of the Securities in the United States, the amounts and exemption relied upon, and the fully executed investor letter in the form attached as Exhibit I to the U.S. Placement Memorandum for a U.S. Accredited Investor, as appropriate, from each purchaser in the United States (of to or for the account or benefit of such purchaser);
  - (f) the Agent shall inform (and cause its U.S. Affiliate to inform) any or all purchasers to whom its U.S. Affiliate sells Securities in the United States that such Securities have not been and will not be registered under the U.S. Securities Act and are being offered and sold to U.S. Accredited Investors in reliance upon Regulation D, as applicable;
  - (g) it acknowledges and understands and has informed offerees that the Warrants may not be exercised (and may never be able to be exercised) in the United States or by, or on behalf or for the benefit of, a U.S. Person, unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available at the time of the requested issuance of the Warrant Shares to such U.S. Person and such Warrant Shares, if any, would remain subject to the restrictions set forth in the U.S. Private Placement Memorandum and exhibits thereto; and
  - (h) As of the Closing Date, each of the Agents and U.S. Affiliates represents that none of (i) the Agent or its U.S. Affiliate, (ii) the Agent's or its U.S. Affiliate's general partners or managing members, (iii) any of the Agent's or its U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Units, (iv) any of the Agent's or its U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Units or (v) any other person associated with any of the above persons that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of the Units (each, a "Dealer Covered Person"), is subject to a Disqualification Event except for a Disqualification Event (i) covered by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Corporation prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date.
4. At the closing, each Agent and its U.S. Affiliate, will provide a certificate, substantially in the form of Exhibit I to this Schedule "A", relating to the manner of the offer and sale of the Securities in the United States or will be deemed to represent and warrant to the Corporation, as at the Closing Date or the Additional Closing Date, as applicable, that neither it, nor its U.S. Affiliate, nor any person acting on its or their behalf has made any offers or sales of the Securities in the United States.
5. The Corporation represents and warrants and covenants with each of the Agents that:
- (a) it is a Foreign Issuer and reasonably believed at the commencement of the Offering that there was no Substantial U.S. Market Interest with respect to the Common Shares;
  - (b) it is not, and following the application of the proceeds of the sale of the Securities in the manner described in the U.S. Placement Memorandum will not be, registered or required to be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder;

- (c) except with respect to offers and sales to U.S. Accredited Investors in reliance upon Regulation D, neither the Corporation nor any of its Affiliates, nor any person acting on its or their behalf (other than the Agents, their respective U.S. Affiliates, the Selling Dealer Group or any person acting on its or their behalf, as to whom the Corporation makes no representation), has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Securities in the United States; or (ii) any sale of Securities unless, at the time the buy order was or will have been originated, the purchaser is (x) outside the United States, or (y) the Corporation and any person acting on its behalf reasonably believes that the purchaser is outside the United States; and
  
- (d) As of the Closing Date, none of the Corporation, any of its predecessors, any "affiliated" (as such term is defined in Rule 501(b) of Regulation D) issuer, or to its knowledge, after exercising reasonable care, any director, executive officer or other officer of the Corporation participating in the offering of the Units, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) or connected with the Corporation in any capacity at the time of sale of the Units (other than any Dealer Covered Person (as defined herein), as to whom no representation is made) (each, an "**Issuer Covered Person**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1) under Regulation D (a "**Disqualification Event**"); and

**Exhibit I**  
**Agents' Certificate**

In connection with the private placement in reliance upon Regulation of common shares and common share purchase warrants (and any underlying securities) (the "**Securities**") of Pulse Oil Corp. (the "**Corporation**") to U.S. Accredited Investors (the "**U.S. Purchasers**") in accordance with the terms of the Agency Agreement, dated effective as of October 15, 2018 (the "**Agency Agreement**"), among the Corporation and the agents named therein (each an "**Agent**"), the undersigned, together with its United States broker-dealer affiliate, hereby certify in favour of the Corporation that:

- (a) **[Name of U.S. broker-dealer Affiliate]** (the "**U.S. Affiliate**") is a duly registered broker or dealer pursuant to Section 15(b) of the U.S. Exchange Act, and under the laws of each applicable state of the United States (unless exempted from the respective state's broker-dealer registration requirements), and was and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale of Securities made by it in the United States, and all offers and sales of Securities in the United States have been and will be effected by the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements;
- (b) in connection with offers and sales of the Securities in the United States, no written material has been used or will be used, other than the U.S. Private Placement Memorandum, and each offeree of the Securities in the United States has been sent a copy of the U.S. Private Placement Memorandum prior to the time of sale of the Securities;
- (c) immediately prior to transmitting the U.S. Private Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe that each offeree was a U.S. Accredited Investor and, on the date hereof, we continue to believe that each U.S. Purchaser is a U.S. Accredited Investor;
- (d) we have not utilized any form of Directed Selling Efforts nor any form of General Solicitation or General Advertising in connection with the offer and sale of the Securities;
- (e) an investor representation letter in the form in the form of Exhibit I to the U.S. private placement memorandum has been obtained from each U.S. Purchaser and a copy of such letter has been delivered to the Corporation; and
- (f) the offering of the Securities in the United States has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein. Terms used in this certificate have the meanings given to them in the Agency Agreement (including Schedule "A" attached thereto) unless defined herein. The Corporation and its counsel shall be entitled to rely on delivery of an electronic mail or facsimile copy of this Certificate and the representations and warranties contained herein, and this Certificate may be relied upon by counsel for the Corporation as if originally issued to such counsel. A newly executed copy of this Certificate shall be provided in connection with any subsequent closing date or issuance of any Securities, if any.

Dated: \_\_\_\_\_

**[Agent]**

**[U.S. Broker-Dealer Affiliate of Agent]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_