

AGENCY AGREEMENT

May 31, 2024

SPARQ Systems Inc.
945 Princess St. Box 212
Kingston, Ontario
K7L 0E9

Attention: Praveen Jain, Chief Executive Officer

Dear Dr. Jain,

Pollitt & Co. Inc. (the “**Agent**”) understands that SPARQ Systems Inc. (the “**Corporation**”) proposes to issue and sell up to 12,500,000 common shares in the capital of the Corporation (“**Common Shares**”) at the Purchase Price (the “**Initial Shares**”), or such greater amount of Common Shares (“**Additional Shares**” and together with the Initial Shares, the “**Offered Shares**”) as the Corporation and Agent may mutually agree, on the terms and subject to the conditions contained hereinafter (the “**Offering**”).

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Agent, and the Agent hereby agrees to act, as exclusive agent to the Corporation, to solicit, on a commercially reasonable efforts basis, without underwriter liability, offers to purchase the Offered Shares in the Offering Jurisdictions pursuant to the terms and conditions hereof. It is understood and agreed that the Agent is under no obligation to purchase any of the Offered Shares, although the Agent may subscribe for and purchase Offered Shares if it so desires. The Corporation acknowledges and agrees that the Agent may offer and sell Offered Shares to or through any affiliate of the Agent.

The Corporation further acknowledges and agrees that the Agent is acting solely in the capacity of an arm’s length contractual counterparty to the Corporation with respect to the Offering (including in connection with determining the terms of the Offering) and not as a financial advisor or a fiduciary to the Corporation or any other person. Additionally, the Agent is not advising the Corporation or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Corporation shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Agent shall have no responsibility or liability to the Corporation with respect thereto. Any review by the Agent of the Corporation, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Agent and shall not be on behalf of the Corporation. The Corporation agrees that it will not claim that the Agent has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Corporation in connection with the Offering or the process leading thereto.

The terms and conditions of this Agreement are as follows:

1. **DEFINITIONS, INTERPRETATION AND SCHEDULES**

- (a) **Definitions:** In addition to the terms defined elsewhere in this Agreement, whenever used in this Agreement:
- (i) “**Act**” means the *Business Corporations Act* (Ontario);
 - (ii) “**Additional Shares**” has the meaning ascribed thereto on the cover page of this Agreement;
 - (iii) “**Advisory Fee Shares**” has the meaning ascribed thereto in Section 9(c);
 - (iv) “**Agent**” has the meaning ascribed thereto on the cover page of this Agreement;
 - (v) “**Agent Warrant Certificates**” means the certificates representing the Agent Warrants;
 - (vi) “**Agent Warrant Shares**” means the Common Shares which may be issued pursuant to the exercise of the Agent Warrants;
 - (vii) “**Agent Warrants**” means the broker warrants of the Corporation, each of which will entitle the Agent to acquire one (1) Agent Warrant Share at any time commencing on the Closing Date and prior to 5:00 p.m. (Toronto time) on the date which is 24 months after the Closing Date at an exercise price of \$0.40 per Agent Warrant Share;
 - (viii) “**Agreement**” means this agency agreement, including the schedules attached hereto, as amended or supplemented from time to time;
 - (ix) “**Ancillary Documents**” means all agreements, certificates (including the Agent Warrant Certificates) and documents executed and delivered, or to be executed and delivered, by the Corporation in connection with the transactions contemplated by this Agreement or the Subscription Agreements and includes the Subscription Agreements;
 - (x) “**Applicable Laws**” means all applicable laws, rules, regulations, policies, statutes, ordinances, codes, orders, consents, decrees, judgments, decisions, rulings, awards, or guidelines of any Governmental Entity, and the terms and conditions of any Authorizations, including any judicial or administrative interpretation thereof;
 - (xi) “**Authorization**” means any regulatory approval, licence, permit, approval, consent, certificate, registration, filing or other authorization of or issued by any Governmental Entity under Applicable Laws;

- (xii) “**Auditor**” means MNP LLP, the auditor of the Corporation;
- (xiii) “**Business**” means the business of the Corporation as currently conducted, and as proposed to be conducted, which includes but is not limited to the development and sale of microinverter systems and all ancillary activities and operations in connection therewith;
- (xiv) “**Business Assets**” means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated, developed or used, including all real property, fixed assets, facilities, equipment, inventories and accounts receivable, by the Corporation in connection with the Business;
- (xv) “**Business Day**” means a day which is not a Saturday, Sunday or a statutory or civic holiday in Toronto, Ontario;
- (xvi) “**Cash Commission**” has the meaning ascribed thereto in Section 0;
- (xvii) “**Closing**” means the purchase and sale of the Offered Shares subscribed for by the Purchasers pursuant to the Subscription Agreements;
- (xviii) “**Closing Date**” means May 31, 2024 and/or such other date or dates as the Corporation and the Agent may mutually agree upon in writing;
- (xix) “**Closing Time**” means 9:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may mutually agree upon in writing;
- (xx) “**Common Shares**” has the meaning ascribed thereto on the cover page of this Agreement;
- (xxi) “**Corporate Advisory Fee**” has the meaning ascribed thereto in Section 9I;
- (xxii) “**Corporation**” has the meaning ascribed thereto on the cover page of this Agreement;
- (xxiii) “**Corporation IP**” has the meaning ascribed thereto in Section 10(oo)(i);
- (xxiv) “**Corporation-Owned IP**” has the meaning ascribed thereto in Section 10(oo)(iv);
- (xxv) “**Data**” has the meaning ascribed thereto in Section 10(oo)(viii);
- (xxvi) “**Employee Plans**” has the meaning ascribed thereto in Section 10(uu);
- (xxvii) “**Environmental Laws**” has the meaning ascribed thereto in Section 10(qq)(i);
- (xxviii) “**Exchange**” means the TSX Venture Exchange;

- (xxix) “**Financial Information**” means, collectively, the audited consolidated financial statements of the Corporation for the years ended December 31, 2023 and 2022, together with the auditors’ report thereon and the notes thereto together with management’s discussion and analysis of financial condition and results of operations of the Corporation for the financial years ended December 31, 2023 and 2022 and the unaudited condensed interim consolidated financial statements of the Corporation for the three months ended March 31, 2024, together with management’s discussion and analysis of financial condition and results of operations of the Corporation for such interim period;
- (xxx) “**Governmental Entity**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;
- (xxxi) “**Hazardous Substances**” has the meaning ascribed thereto in Section 10(qq)(i);
- (xxxii) “**IFRS**” means International Financial Reporting Standards;
- (xxxiii) “**Initial Shares**” has the meaning ascribed thereto on the cover page of this Agreement;
- (xxxiv) “**Intellectual Property**” means any registered or unregistered trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, all associated registrations and applications for registration, and all associated rights, including moral rights and rights to waivers of moral rights;
- (xxxv) “**Lien**” means any encumbrance or title defect of whatsoever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatsoever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

- (xxxvi) “**Material Adverse Effect**” means any event, change, fact, or state of being which could reasonably be expected to have a significant and adverse effect on the business, affairs, capital, operation, properties, permits, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise), as applicable in the context of the Corporation;
- (xxxvii) “**Material Agreement**” means any debt instrument, contract, commitment, agreement (written or oral), instrument, lease, or other document, to which the Corporation is a party or otherwise bound which is material to the Corporation and the conduct and operations of its business, including the Transaction Documents, or involve any of the officers, consultants, directors, employees or shareholders of the Corporation, other than ordinary course agreements relating to employment, confidentiality, intellectual property or equity-based compensation;
- (xxxviii) “**Money Laundering Laws**” has the meaning ascribed thereto in Section 10(x);
- (xxxix) “**Offered Shares**” has the meaning ascribed thereto on the cover page of this Agreement;
- (xl) “**Offering**” has the meaning ascribed thereto on the cover page of this Agreement;
- (xli) “**Offering Jurisdictions**” means each of the Provinces and Territories of Canada where Offered Shares are sold;
- (xlii) “**Ontario Act**” means the *Securities Act* (Ontario) and the regulations thereunder, together with the instruments, policies, rules, orders, codes, notices and interpretation notes of the Ontario Securities Commission, as amended, supplemented or replaced from time to time;
- (xlili) “**Person**” means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;
- (xliv) “**President’s List Purchasers**” means Purchasers purchasing Offered Shares through brokerage accounts at Scotia Capital Inc.;
- (xlv) “**Public Information**” means all information regarding the Corporation that is, or becomes, publicly available together with all information prepared by the Corporation and provided to the Agent or to potential purchasers of the Offered Shares, if any, and includes, but is not limited to, all material change reports, press releases, financial statements and management’s discussion analysis of the Corporation filed under the Corporation’s profile on SEDAR+ (www.sedarplus.ca);

- (xlvi) “**Purchase Price**” means the price to be paid by the Purchasers for each Offered Share under the Offering, being \$0.40 per Offered Share;
 - (xlvii) “**Purchasers**” means, collectively, the purchasers of the Offered Shares;
 - (xlviii) “**Securities Commissions**” means the securities regulatory authorities of the Offering Jurisdictions collectively, as the case may be;
 - (xlix) “**Securities Laws**” means the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the securities regulatory authorities (including the Exchange) of, the applicable Offering Jurisdiction or the Offering Jurisdictions collectively;
 - (l) “**Subscription Agreements**” means, collectively, the subscription agreements to be entered into between the Corporation and each of the Purchasers with respect to the purchase of the Offered Shares;
 - (li) “**Transaction Documents**” means, collectively, this Agreement and the Ancillary Documents; and
 - (lii) “**Transfer Agent**” means TSX Trust Company.
- (b) **Other Defined Terms:** Whenever used in this Agreement, the words and terms “affiliate”, “associate”, “material fact”, “material change”, “misrepresentation”, “senior officer” and “subsidiary” shall have the meaning given to such word or term in the Ontario Act unless specifically provided otherwise herein.
 - (c) **Plural and Gender:** Whenever used in this Agreement, words importing the singular number only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine gender and neuter.
 - (d) **Currency:** All references to monetary amounts in this Agreement are to lawful money of Canada.
 - (e) **Schedules:** The schedules, if any, attached to this Agreement are deemed to be a part of an incorporated into this Agreement.

2. THE OFFERED SHARES

- (a) **Offered Shares:** The Offered Shares shall consist of the 12,500,000 Initial Shares and such number of Additional Shares as the Corporation and Agent may mutually agree prior to Closing.

3. THE OFFERING

- (a) **Sale on Exempt Basis:** The Agent will use commercially reasonable efforts to arrange for Purchasers in the Offering Jurisdictions. The Agent shall offer for sale

on behalf of the Corporation the Offered Shares in the Offering Jurisdictions in compliance with the Securities Laws of the Offering Jurisdictions and only to such Persons and in such manner so that, pursuant to the provisions of the Securities Laws of the Offering Jurisdictions, no prospectus, registration statement or offering memorandum or other similar document need be filed with, or delivered to, any Securities Commission in any Offering Jurisdiction in connection therewith.

- (b) **Agency Group:** The Corporation agrees that, subject to the consent of the Corporation, such consent not to be unreasonably withheld, the Agent has the right to invite one or more investment dealers to form an agency group to participate in the soliciting of offers to purchase the Offered Shares. The Agent shall have the exclusive right to control all compensation arrangements between the Agent and any other members of the agency group. The Corporation grants all of the rights and benefits of this Agreement to any investment dealer who is a member of any agency group formed by the Agent and appoints the Agent as trustee of such rights and benefits for all such investment dealers, and the Agent hereby accepts such trust and agrees to hold such rights and benefits for and on behalf of all such investment dealers. The Agent shall ensure that any investment dealer who is a member of any agency group formed by the Agent pursuant to the provisions of this subsection 3(b) or with whom the Agent has a contractual relationship with respect to the Offering, if any, agrees with the Agent to comply with the covenants and obligations given by the Agent herein.
- (c) **Covenants of the Agent:** The Agent covenants with the Corporation that: (i) it will comply with the Securities Laws of the Offering Jurisdictions in which it solicits or procures subscriptions for Offered Shares in connection with the Offering; (ii) it will not solicit or procure subscriptions for Offered Shares so as to require the registration thereof or the filing of a prospectus with respect thereto under the laws of any jurisdiction; and (iii) it will obtain from each Purchaser an executed Subscription Agreement in a form acceptable to the Corporation and the Agent, acting reasonably. The Agent represents and warrants that it is, and, to the best of its knowledge, each member of any agency group formed by the Agent shall be, qualified to so act in the Offering Jurisdictions in which such member solicits or procures subscriptions for the Offered Shares.
- (d) **Filings:** The Corporation undertakes to file or cause to be filed all forms and undertakings required to be filed by the Corporation in connection with the Offering so that the distribution of the Offered Shares may lawfully occur in the Offering Jurisdictions without the necessity of filing a prospectus or an offering memorandum in Canada and the Agent undertakes to use the commercially reasonable efforts thereof to cause the Purchasers of the Offered Shares to complete (and it shall be a condition of Closing in favour of the Corporation that the Purchasers complete and deliver to the Corporation) any forms and undertakings required by the Securities Laws of the Offering Jurisdictions. All fees payable in connection with such filings shall be at the expense of the Corporation.

- (e) **No Offering Memorandum:** Neither the Corporation nor the Agent shall: (i) provide to prospective purchasers of Offered Shares any document or other material that would constitute an offering memorandum within the meaning of the Securities Laws of the Offering Jurisdictions; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Shares, including but not limited to, causing the sale of the Offered Shares to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display or the Internet, or otherwise, or conduct any seminar or meeting relating to any offer and sale of the Offered Shares whose attendees have been invited by a general solicitation or general advertising.

4. **DUE DILIGENCE**

Prior to the Closing Time, the Corporation shall: (i) allow the Agent and its representatives the opportunity to conduct all due diligence investigations which the Agent may reasonably require to be conducted in connection with the Offering prior to and until the Closing Time; (ii) make available to the Agent (and its counsel), on a timely basis, all books and records including all corporate, financial, property, legal and operational information and documentation of the Corporation, and will provide access to all facilities, properties, employees, auditors, legal counsel, consultants or other experts of the Corporation, to permit the Agent, its legal counsel and other advisers to conduct their due diligence investigation of the business and affairs of the Corporation; (iii) assist the Agent in sourcing any other information that is useful and necessary to conducting such due diligence; (iv) make available its senior management and shall use commercially reasonable efforts to cause certain such members of senior management of the Corporation to answer any questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to Closing; and (v) make available and provide to the Agent (and its counsel), on a timely basis, all agreements, arrangements and understandings in connection with the transactions contemplated by the Transaction Documents to which the Corporation has had access and is permitted to make available.

5. **MATERIAL CHANGE DURING DISTRIBUTION**

Until the Closing Time, the Corporation shall promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) of any material change or change in a material fact (in either case, whether actual, anticipated, contemplated or threatened, financial or otherwise) or any event or development involving a prospective material change or change in a material fact or any other change in the Business, affairs, operations, assets (including information or data relating to the estimated value or book value of assets), properties, prospects, liabilities (contingent or otherwise), capital, ownership, control or management of the Corporation which would constitute a material change to, or a change in a material fact concerning, the Corporation or any other change which is of such a nature, provided that the Agent shall agree to keep such information confidential if requested by the Corporation and shall otherwise comply with applicable Securities Laws as it relates to the treatment of the information in question.

Until the Closing Time, the Corporation shall promptly, and in any event, within any applicable time limitations, comply with all applicable filings and other requirements under Securities Laws

as a result of such change. During such period, the Corporation shall in good faith discuss with the Agent any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice need be given to the Agent pursuant to this Section 5, subject to the Agent complying with the terms and conditions of this Section 5.

6. **PRESS RELEASES**

Subject to applicable Securities Law, the Corporation agrees that it shall obtain prior approval of the Agent, such approval not to be unreasonably withheld, as to the content and form of any press release relating to the Offering to be issued on or prior to the Closing Date.

7. **DELIVERABLES OF THE CORPORATION AND THE AGENT**

(a) **Deliveries:** at or before the Closing Time:

- (i) all actions required to be taken by or on behalf of the Corporation including, without limitation, the passing of all required resolutions of the directors, including committees of the directors, shall have occurred in order to complete the transactions contemplated by this Agreement and the Subscription Agreements, including, without limitation, to create and issue the Offered Shares, the Agent Warrants and Advisory Fee Shares, if applicable, and to reserve for issue the Agent Warrant Shares and a certified copy of all such resolutions shall have been delivered by the Corporation to the Agent;
- (ii) the Corporation shall have delivered or caused to be delivered to the Agent:
 - (1) a certificate dated the Closing Date signed by an appropriate officer of the Corporation and addressed to the Agent with respect to the constating documents of the Corporation, the resolutions of the directors of the Corporation and any other corporate action taken relating to the Transaction Documents and with respect to such other matters as the Agent may reasonably request and including specimen signatures of the signing officers of the Corporation;
 - (2) a certificate dated the Closing Date addressed to the Agent signed by the chief executive officer and the chief financial officer of the Corporation, or any two other senior officers of the Corporation acceptable to the Agent, certifying for and on behalf of the Corporation that:
 - (A) the Corporation has complied with all covenants and agreements contained in, and has satisfied all of the terms and conditions of, this Agreement to be complied with and satisfied by the Corporation at or prior to the Closing Time;

- (B) the representations and warranties of the Corporation contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated thereby;
 - (C) since December 31, 2023, except as disclosed in the Public Information, there has been no material change (whether actual, anticipated, proposed, prospective or threatened) in the financial condition, assets, liabilities (contingent or otherwise), business, affairs, operations or prospects of the Corporation or in the capital of the Corporation;
 - (D) no order, ruling or determination having the effect of ceasing or suspending the sale or ceasing, suspending or restricting trading in the Common Shares or any other securities of the Corporation has been issued or made by any stock exchange, securities commission or other regulatory authority and is continuing in effect and no proceedings, investigations or enquiries for such purpose have been instituted or are pending, or, to the best of their knowledge, are contemplated or threatened under any of the Securities Laws of the Offering Jurisdictions or by any stock exchange (including the Exchange), securities commission or other regulatory authority;
 - (E) there are no actions, suits, proceedings or enquiries pending or, to the best of their knowledge, threatened against or affecting the Corporation or to which any property or assets of the Corporation is subject, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may, in any way, materially and adversely affect the Corporation; and
 - (F) no material default exists, or as a result of the sale of the Offered Shares will exist, under any instrument or agreement securing any indebtedness of or otherwise relating to the Corporation and no event which, with the giving of notice, the passage of time or the making of any determination, would constitute an event of default under any such instrument or agreement has occurred and is continuing which would be material to the Corporation;
- (iii) the Agent shall have received favourable legal opinions addressed to the Agent and the Purchasers, in form and substance satisfactory to the Agent's

counsel, dated the Closing Date, from Aird & Berlis LLP, counsel to the Corporation, and where appropriate, local counsel to the Corporation in the other Offering Jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Corporation, with respect to the following matters:

- (1) as to the incorporation and subsistence of the Corporation under the laws of the Province of Ontario and as to the Corporation having the requisite corporate power and capacity under the laws of the Province of Ontario to carry on its business as presently carried on and to own, lease and operate its properties and assets;
- (2) as to the authorized and issued share capital of the Corporation;
- (3) as to the corporate power and capacity of the Corporation to execute, deliver and perform its obligations under the Transaction Documents and to create, issue and sell, as applicable, the Offered Shares;
- (4) each of the Transaction Documents has been duly authorized, executed and delivered by the Corporation and constitutes a valid and legally binding obligation of the Corporation enforceable against it in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the qualification that the enforceability of rights of indemnity, contribution and waiver and the ability to sever unenforceable terms may be limited by applicable law;
- (5) the execution and delivery of the Transaction Documents and the performance by the Corporation of its obligations hereunder and thereunder, and the sale or issuance of the Offered Shares do not and will not result in a breach of or default under, and do 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 default under, and do not and will not conflict with the constating documents of the Corporation, any resolutions of the shareholders or directors (including committees of the board of directors) of the Corporation or any applicable corporate laws or Securities Laws;
- (6) the Offered Shares have been duly and validly created and authorized for issuance and when issued and delivered by the Corporation pursuant to this Agreement and will be validly issued;

- (7) the Agent Warrants have been duly and validly created and authorized for issuance and when issued and delivered by the Corporation pursuant to this Agreement and the Agent's Warrant Certificate, the Agent's Warrants will be validly issued;
 - (8) the Agent Warrant Shares underlying the Agent Warrants have been duly allotted and validly authorized for issuance and, upon exercise of the Agent Warrants in accordance with the terms and conditions of the Agent Warrant Certificate, the Agent Warrant Shares underlying the Agent Warrants will be validly issued as fully paid and non-assessable Common Shares;
 - (9) the Advisory Fee Shares have been duly and validly created and authorized for issuance and, if issued and delivered by the Corporation pursuant to this Agreement, will be validly issued;
 - (10) the issuance and sale by the Corporation of the Offered Shares to the Purchasers and the issuance of the Agent's Warrants to the Agent in accordance with the terms of this Agreement are exempt from the prospectus requirements of Securities Laws in the Offering Jurisdictions in Canada and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the Securities Laws to permit such issuance and sale; it being noted, however, that the Corporation is required to file or cause to be filed with the applicable Securities Commissions in Canada, a report on Form 45-106F1 prepared and executed pursuant to NI 45-106, together with the prescribed filing fee, within 10 days following the Closing Date;
 - (11) no documents will be required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the Securities Laws in the Offering Jurisdictions in connection with the first trade of the Offered Shares, the Agent Warrants, the Agent Warrant Shares or the Advisory Fee Shares, if applicable, by the holders thereof, as the case may be, provided that certain standard conditions under such Securities Laws have been satisfied;
 - (12) the Corporation is a reporting issuer in British Columbia, Alberta and Ontario, and is not listed as in default of any requirement of applicable Securities Laws in any of the Offering Jurisdictions which maintain such a list; and
 - (13) such other matters as the Agent or its counsel may reasonably request;
- (iv) the Corporation shall have delivered or caused to be delivered to the Agent its acceptance of the completed Subscription Agreements;

- (v) the Corporation shall have delivered or caused to be delivered to the Agent:
 - (1) evidence satisfactory to the Agent of the non-certificated issue through CDS of the Offered Shares in such amounts and registrations as requested by the Agent;
 - (2) the Agent Warrant Certificates registered in the name of the Agent or in such other name or names as the Agent may direct; and
 - (3) such further documents as may be contemplated by this Agreement or as the Agent may reasonably require,all in form and substance satisfactory to the Agent;
- (vi) the Corporation shall have delivered to the Agent a written direction of the Corporation directing the Agent to deliver the net proceeds from the sale of the Offered Shares to the Corporation; and
- (vii) the Agent shall have delivered or cause to be delivered to the Corporation:
 - (1) payment of the aggregate Purchase Price for the Offered Shares purchased by the Purchasers net of: (i) the commission payable by the Corporation to the Agent as provided in Section 7 of this Agreement; and (ii) the expenses payable by the Corporation to the Agent as provided in Section 14 of this Agreement by certified cheque or bank draft payable to the Corporation or by wire transfer of immediately available funds, against delivery from the Corporation to the Agent of a receipt for the aggregate Purchase Price for such Offered Shares, less the foregoing amounts; and
 - (2) such further documents as may be contemplated by this Agreement or as the Corporation may reasonably require,all in form and substance satisfactory to the Corporation.

8. CLOSING

- (a) **Closing:** The Closing shall be completed at the offices of counsel for the Corporation at the Closing Time on the Closing Date.
- (b) **Conditions of Closing:** The following are conditions precedent to the obligation of the Agent to complete the Closing and of the Purchasers to purchase the Offered Shares, which conditions the Corporation hereby covenants and agrees to use its best efforts thereof to fulfill within the time set out herein therefor, and which conditions may be waived in writing in whole or in part by the Agent:
 - (i) the Corporation shall have received all necessary approvals and consents, including all necessary regulatory approvals and consents (including those

of the Exchange) required for the completion of the transaction contemplated by this Agreement, all in a form satisfactory to the Agent;

- (ii) the Agent shall have received all of the documents, certificates, opinions and other deliverables set forth in Section 7 of this Agreement to be delivered to the Agent;
- (iii) the representations and warranties of the Corporation contained herein being true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby;
- (iv) the Corporation having complied with all covenants, and satisfied all terms and conditions, contained herein to be complied with and satisfied by the Corporation at or prior to the Closing Time; and
- (v) the Agent not having previously terminated the obligations thereof pursuant to this Agreement.

9. COMMISSION

In consideration of the agreement of the Agent to act as agent of the Corporation in respect of the Offering, and in consideration of the services performed and to be performed by the Agent in connection therewith, including, without limitation, acting as exclusive agent of the Corporation to solicit, on a commercially reasonable efforts basis, offers to purchase the Offered Shares, participating in the preparation of the Transaction Documents, and advising the Corporation with respect to the Offering, the Corporation shall:

- (a) pay to the Agent, or as the Agent may otherwise direct, at each Closing Time against receipt of payment of the aggregate gross proceeds from the issue and sale of the Offered Shares, an aggregate cash fee (the “**Cash Commission**”) equal to: (A) 6% of the gross proceeds from the issue and sale of the Offered Shares to Purchasers that are not President’s List Purchasers; and (B) 4% of the gross proceeds from the issue and sale of the Offered Shares to President’s List Purchasers;
- (b) issue to the Agent, or as the Agent may otherwise direct, at each Closing Time, Agent Warrants, which will entitle the holders thereof to acquire an aggregate number of Agent Warrant Shares equal in number to 6% of the aggregate number of Offered Shares issued and sold pursuant to the Offering to Purchasers that are not President’s List Purchasers. For greater certainty, no Agent Warrants shall be issuable in respect of sales of Offered Shares to President’s List Purchasers; and
- (c) subject to the approval of the Exchange, pay to the Agent, or as the Agent may otherwise direct, at the Closing Time on the first Closing Date after the initial Closing Date, a corporate advisory fee of \$250,000 (plus applicable taxes), payable in cash or, at the sole option of the Corporation, in Common Shares (the

“**Corporate Advisory Fee**”), issuable at a deemed issue price of \$0.40 per Common Shares (“**Advisory Fee Shares**”),.

10. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION

The Corporation represents and warrants to the Agent, and acknowledges that the Agent is relying upon such representations and warranties, in entering into this Agreement, and acknowledges that the Purchasers shall, pursuant to their respective Subscription Agreements, obtain the benefit of such representations and warranties (which are incorporated by reference into such Subscription Agreements) and may rely thereon in entering into such Subscription Agreements, and which representations and warranties shall be true and correct on the Closing Date:

Corporate Matters

- (a) **Good Standing of the Corporation.** The Corporation (i) has been duly incorporated under the Act and is up-to-date in all material corporate filings and in good standing under the Act; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and as proposed to be conducted and to own, lease and operate its properties and assets, including its Business Assets; and (iii) has all requisite corporate power and authority to create, issue and sell the Offered Shares, Agent Warrants and Advisory Fee Shares and to enter into and carry out its obligations under the Transaction Documents.
- (b) **Subsidiaries.** The Corporation does not have any subsidiaries within the meaning of the Ontario Act.
- (c) **Carrying on Business.** The Corporation is, in all material respects, conducting its business in compliance with all Applicable Laws of each jurisdiction in which its business is carried on and is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its properties and assets or carries on business to enable its business to be carried on as now conducted and its properties and assets to be owned, leased and operated. The Corporation is not aware of any legislation or regulations, or proposed legislation or regulations published by a legislative or regulatory body, which it anticipates will or may have a Material Adverse Effect on the Business of the Corporation as currently conducted.
- (d) **No Proceedings for Dissolution.** No proceedings have been taken, instituted or, are pending for the dissolution, liquidation or winding up of the Corporation.
- (e) **Freedom to Compete.** The Corporation is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Corporation to compete in any line of business, transfer or move any of its assets or operations or which would have a Material Adverse Effect on the Corporation.
- (f) **Share Capital of the Corporation.** The authorized capital of the Corporation consists of an unlimited number of Common Shares of which, as of the date hereof,

82,444,752 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares and, except for (i) 6,492,000 options issued under the Corporation's omnibus equity incentive plan (exercisable into 6,492,000 Common Shares), (ii) 550,817 deferred share units issued under the Corporation's omnibus equity incentive plan (which may be settled for 550,817 Common Shares) and (iii) 1,000,000 share purchase warrants (exercisable into 1,000,000 Common Shares), there are no options, warrants or other securities convertible into, or exchangeable or exercisable for, Common Shares (other than, for greater certainty, the Offered Shares, Agent Warrants and Advisory Fee Shares issuable under the Offering).

- (g) **Absence of Rights.** No Person now has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Corporation. The Offered Shares, Agent Warrants and Advisory Fee Shares, if applicable, upon issuance, will not be issued in violation of or subject to any pre-emptive rights, participation rights or contractual rights to purchase securities issued by the Corporation.
- (h) **No Voting Control.** The Corporation is not a party to, nor is the Corporation aware of, any shareholders' agreements, pooling agreements, voting agreements or voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of the Corporation, with respect to the nomination or appointment of any directors or officers of the Corporation, with respect to observer or information rights related to the proceedings or operations of the Corporation or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in the Corporation. The Corporation has not adopted a shareholders' rights plan or any similar plan or agreement.
- (i) **No Cease Trade Orders.** No order ceasing or suspending trading in the Common Shares or other securities of the Corporation or prohibiting the sale or issuance of the Offered Shares, has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending, or, to the best of the Corporation's knowledge, contemplated or threatened.
- (j) **Reporting Issuer Status.** The Corporation is a "reporting issuer", as defined in the Securities Laws, in British Columbia, Alberta and Ontario and is not currently in default of any requirement of Securities Laws of such jurisdictions and the Corporation is not included on a list of defaulting reporting issuers maintained by any of the Securities Commissions.
- (k) **Public Information.** The information and statements set forth in the Public Information at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation (as defined by the Ontario Act) or interpreted by applicable securities regulatory authorities) and did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were

made, not misleading; and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all securities regulatory authorities having jurisdiction over the Corporation. The Corporation has not filed any confidential material change report or other document with any securities regulatory authorities or stock exchange or self-regulatory authority which as of the date hereof remains confidential.

- (l) **Material Agreements.** Each Material Agreement is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. Except as disclosed to the Agent in writing, the Corporation has, in all material respects, performed all obligations in a timely manner under, and is in compliance, in all material respects, with all terms and conditions (including any financial covenants) contained in each Material Agreement. Except as disclosed to the Agent in writing, the Corporation is not in material breach, violation or default nor has it received any notification from any party claiming that the Corporation is in material breach, violation or default under any Material Agreement and no other party, to the knowledge of the Corporation, is in material breach, violation or default of any term under any Material Agreement.
- (m) **Absence of Breach, Default or Conflict.** The Corporation is not in breach or default of, and the execution and delivery of the Transaction Documents, the performance by the Corporation of its obligations hereunder or thereunder, the issue and sale of the Offered Shares, Agent Warrants and Advisory Fee Shares, if applicable, and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both (i) any statute, rule or regulation applicable to the Corporation, including the Securities Laws; (ii) the constating documents or resolutions of the directors (including of committees thereof) or shareholders of the Corporation which are in effect at the date of hereof; (iii) any Material Agreement; or (iv) any judgment, decree or order binding the Corporation or the properties or assets of the Corporation.
- (n) **No Actions or Proceedings.** There are no actions, proceedings or investigations (whether or not purportedly by or on behalf of the Corporation) currently outstanding, or, to the best of the Corporation's knowledge, threatened or pending, against the Corporation at law or in equity (whether in any court, arbitration or similar tribunal). There are no judgments or orders against the Corporation which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation or its properties or assets are subject.
- (o) **Financial Information.** The Financial Information is true and correct in all material respects, presents fairly the financial position and condition of the Corporation as at the dates thereof and for the periods indicated, reflect all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation and the results of its operations and the changes in its financial position for the periods then ended and contain and reflect adequate provisions or allowance

for all reasonably anticipated liabilities, expenses and losses of the Corporation and have been prepared in accordance with IFRS, applied on a consistent basis throughout the periods involved.

- (p) **No Material Changes.** Since December 31, 2023, (i) there has been no material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise) business, condition (financial or otherwise), properties, capital or results of operations of the Corporation, and (ii) there have been no transactions entered into by the Corporation, other than, in both cases, those in the ordinary course of business or those that have been publicly disclosed by the Corporation, which are material with respect to the Corporation.
- (q) **No Off-Balance Sheet Arrangements.** There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Corporation.
- (r) **Internal Accounting Controls.** The Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (s) **Independent Auditors.** The Auditors are independent public accountants and, since December 31, 2022, there has not been any "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with respect to the present or any former auditor of the Corporation.
- (t) **Purchases and Sales.** The Corporation has not approved, entered into any agreement in respect of, or has any knowledge of:
 - (i) the purchase of any material property or any interest therein, or the sale, transfer or other disposition of any material property or any interest therein currently owned, directly or indirectly, by the Corporation, whether by asset sale, transfer of shares, or otherwise;
 - (ii) the change of control of the Corporation, whether by sale or transfer of voting or equity securities or sale of all or substantially all of the assets of the Corporation or otherwise; or
 - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares.

- (u) **No Non-Arm's Length Loans.** Except as disclosed in the Financial Information, the Corporation does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any Person not dealing at arm's length with the Corporation.
- (v) **Taxes.** All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Corporation have been paid. All tax returns, declarations, remittances and filings required to be filed by the Corporation have been filed with all appropriate Governmental Entities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. No examination of any tax return of the Corporation is currently in progress and there are no issues or disputes outstanding with any Governmental Entity respecting any Taxes that have been paid, or may be payable, by the Corporation.
- (w) **Anti-Bribery Laws.** To the knowledge of the Corporation, neither the Corporation nor any director, officer, employee, consultant, representative or agent of the Corporation, has (i) violated any anti-bribery or anti-corruption laws applicable to the Corporation, including but not limited to the United States Foreign Corrupt Practices Act and the *Corruption of Foreign Public Officials Act* (Canada), or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (A) to any government official, whether directly or through any other Person, for the purpose of influencing any act or decision of a government official in his or her official capacity; inducing a government official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a government official to influence or affect any act or decision of any Governmental Entity; or assisting any representative of the Corporation in obtaining or retaining business for or with, or directing business to, any Person; or (B) to any Person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither the Corporation, nor to the knowledge of the Corporation, any director, officer, employee, consultant, representative or agent of the Corporation, has (X) conducted or initiated any review, audit, or internal investigation that concluded the Corporation, or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (Y) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any Person alleging non-compliance with any such laws.

- (x) **Anti-Money Laundering.** To the knowledge of the Corporation, the operations of the Corporation are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the *Proceeds of Crime (Money Laundering)* and *Terrorist Financing Act* (Canada) and the money laundering statutes of all other applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Entity (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Entity or any arbitrator involving the Corporation with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened.
- (y) **Directors and Officers.** To the knowledge of the Corporation, none of the directors or officers of the Corporation are now, or have ever been (i) 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 corporation or of a corporation listed on a particular stock exchange, or (ii) subject to an order preventing, ceasing or suspending trading in any securities of the Corporation.
- (z) **Related Parties.** Except as disclosed in the Financial Information, none of the directors, officers, employees, consultants or advisors of the Corporation, any known holders of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing Persons, has had any material interest, direct or indirect, in any previous transaction or any proposed transaction with the Corporation which, as the case may be, materially affected, is material to or will materially affect the Corporation. Except as disclosed in the Financial Information, all material transactions of the Corporation were completed on an arm’s length basis and on commercially reasonable terms, including on terms no less favourable to the Corporation than as would otherwise have been available to the Corporation.
- (aa) **Minute Books and Records.** The minute books and records of the Corporation, which the Corporation has made available to the Agent and its counsel in connection with their due diligence investigation of the Corporation for the last two years to the date of examination thereof are all of the minute books and all of the records of the Corporation for such period and contain copies of all constating documents, including all amendments thereto, and all proceedings of securityholders and directors (and committees thereof) and are complete in all material respects.
- (bb) **Full Disclosure.** All information relating to the Corporation and its business (including plans, projections, strategies and intentions), assets, properties and liabilities, including all financial, marketing, sales and operational information, provided or made available to the Agent or its counsel by the Corporation is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under

which they were made. The Corporation has not withheld from the Agent any material facts relating to the Corporation or the Offering.

The Offering

- (cc) **Compliance with Laws, Filings and Fees.** The Corporation has complied in all material respects with all Applicable Laws required to be complied with prior to the Closing Time in connection with the Offering. All filings and fees required to be made and paid by the Corporation pursuant to Securities Laws and other Applicable Laws have been made and paid, other than customary post-Closing filings required to be submitted by the Corporation within the applicable time frame pursuant to applicable securities laws.
- (dd) **Corporate Actions.** All necessary corporate action has been taken by the Corporation so as to validly (i) create and issue the Offered Shares, the Agent Warrants and the Advisory Fee Shares, if applicable, and (ii) allot and authorize for issuance the Agent Warrant Shares.
- (ee) **Valid and Binding Documents.** Each of the execution and delivery of the Transaction Documents and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Corporation and upon the execution and delivery of the Transaction Documents, they shall constitute valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, provided that enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction and that the provisions relating to indemnity and contribution may be unenforceable.
- (ff) **All Consents and Approvals.** All consents, approvals, permits, Authorizations or filings as may be required under Securities Laws, other Applicable Laws, Material Agreements or otherwise necessary for (i) the execution and delivery of the Transaction Documents, (ii) the creation, issuance, sale and delivery, as applicable, of the Offered Shares, Agent Warrants, Agent Warrant Shares and Advisory Fee Shares, if applicable, and (iii) the consummation of the transactions contemplated hereby and thereby, have been made or obtained, as applicable, other than customary post-Closing filings required to be submitted by the Corporation within the applicable time frame pursuant to applicable securities laws.
- (gg) **Validly Issued Agent's Warrants.** The Agent Warrants have been duly and validly created and authorized for issuance and when issued and delivered by the Corporation pursuant to this Agreement and the Agent Warrant Certificate, the Agent Warrants will be validly issued.
- (hh) **Validly Issued Agent Warrant Shares.** The Agent Warrant Shares have been duly allotted and validly authorized for issuance and upon exercise of the Agent

Warrants, such Agent Warrant Shares will be validly issued as fully paid and non-assessable Common Shares.

- (ii) **Validly Issued Advisory Fee Shares.** The Advisory Fee Shares have been duly allotted and validly authorized for issuance as fully paid and non-assessable Common Shares.
- (jj) **Fees and Commissions.** Other than the Agent, there is no Person acting or purporting to act at the request of the Corporation who is entitled to any brokerage, finder, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein.
- (kk) **Entitlement to Proceeds.** Other than the Corporation, there is no Person that is or will be entitled to the proceeds of the Offering under the terms of any Material Agreement or otherwise.
- (ll) **Transfer Agent and Registrar.** The Transfer Agent has been duly appointed as the transfer agent and registrar for the issued and outstanding Common Shares.

Business, Properties and Assets

- (mm) **Title to Business Assets.** The Corporation has good, valid and marketable title to and have all necessary rights in respect of all of its Business Assets as owned, leased, licensed, loaned, operated, developed or used by it or over which it has rights, free and clear of any Liens, and no other rights or assets are necessary for the conduct of the Business as currently conducted. There is no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Corporation to use, transfer, lease, license, operate, develop, sell or otherwise exploit the Business Assets and the Corporation does not have any obligation to pay any commission, license fee or similar payment to any Person in respect thereof and there are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any Person to acquire any of the rights, title or interests in the Business Assets.
- (nn) **Compliance with Laws, Regulatory Approvals and Authorizations.** All operations of the Corporation in respect of or in connection with the Business Assets have been and continue to be conducted in accordance with sound industry practices and in material compliance with all Applicable Laws. The Corporation has obtained and are in compliance with all Authorizations to permit them to conduct their Business as currently conducted and are not aware of any basis to not be issued any Authorizations necessary for them to conduct their Business as proposed to be conducted. All of the Authorizations issued to date are valid and in full force and effect and the Corporation has not received any correspondence or notice from any Governmental Entity alleging or asserting material non-compliance with any Applicable Laws or Authorizations. The Corporation has not received any notice of proceedings or actions relating to the revocation, suspension, limitation or modification of any Authorizations or any notice advising of the

refusal to grant any Authorization that has been applied for or is in process of being granted and has no reason to believe that any Governmental Entity is considering taking or would have reasonable ground to take any such action

(oo) Intellectual Property.

- (i) The Corporation owns or possesses the right to use all patents, trademarks, service marks, trade names, copyrights, licenses, inventions, trade secrets applications for any of the foregoing, and all other Intellectual Property necessary for the conduct of the Business (collectively, “**Corporation IP**”). The Corporation is not aware of any claim or challenge by any other Person to the rights of the Corporation with respect to Corporation IP. None of the rights of the Corporation in the Corporation IP will be impaired or affected in any way by the transactions contemplated by this Agreement
- (ii) The Business as now conducted does not, and as proposed to be conducted will not, infringe or conflict with, in any material respect, the Intellectual Property rights or franchise right of any Person. No claim has been made against the Corporation alleging the infringement by the Corporation of any Intellectual Property rights or franchise right of any Person.
- (iii) There are no material restrictions on the ability of the Corporation to use and explore all rights in the Intellectual Property of the Corporation IP that is owned by the Corporation (“**Corporation-Owned IP**”) necessary for the conduct of the Business.
- (iv) The Corporation has taken all reasonable steps to protect the Corporation-Owned IP, including paying all necessary fees and filing all appropriate registrations, affidavits and renewals with the appropriate Governmental Entities and restricting access to, and protecting the confidentiality of, such of the Corporation IP comprising trade secrets, and the Corporation has not taken, or omitted to take any steps that could constitute abandonment of the Corporation-Owned IP.
- (v) All of the Intellectual Property created by employees in the course of their employment with the Corporation, or by contractors engaged by the Corporation, is subject to present-tense written assignment agreements by which all of such employees’ and contractors’ rights in and to such Intellectual Property has been fully transferred and assigned to the Corporation, and any moral rights and rights of a similar nature in and to such Intellectual Property have been waived, such that all such Intellectual Property comprises Corporation-Owned IP.
- (vi) None of the Corporation IP is subject to any outstanding order, and no claims are, to the Corporation’s knowledge, pending or threatened, which: (A) challenge the validity, enforceability, use, ownership or right in or to any such Intellectual Property, (B) allege that the operation of the Business

as now conducted infringes or otherwise violates any Intellectual Property or other proprietary rights(s) of a third party, and the Corporation has no knowledge of any facts which would form a valid basis for any such claim; or (C) contest the right of the Corporation to sell, license or use any material products or services of the Corporation.

- (vii) The Corporation has not used open source software in any manner where such use would require disclosure or distribution of any Corporation IP in source code form, require the licensing thereof for the purpose of making derivative works, impose any restriction on the consideration to be charged for the distribution thereof, create, or purport to create, obligations for the Corporation to grant, or purport to grant, to any third party, any rights or immunities under any of the Corporation IP or impose any other material limitation, restriction or condition on the rights of the Corporation with respect to use or distribution of any of the Corporation IP. With respect to any open source software that is or has been used by the Corporation in any way, such use has been and is in compliance with all applicable licenses with respect thereto.
- (viii) The Corporation has taken all commercially reasonable steps to back up all material software and databases (including information used therein) used by the Corporation and maintain such backups at a secure off-site location. The Corporation has taken all reasonable steps: (A) to maintain the integrity and security of their systems and network infrastructure in connection with the collection, transmission and storage of electronic data, including video and imagery (collectively, “**Data**”), (B) to block the distribution of sensitive Data which may be harmful to or breach the security interests of any country, and (C) to protect the information technology and communication systems used in connection with their operations and business from contamination, corruption, computer viruses, firewall breaches, sabotage, hacking or other software routines or hardware components that would permit unauthorized access or the unauthorized disablement, theft or erasure of its information technology systems, communication systems, Data, products or software. The Corporation has disaster recovery and security plans and procedures in place and there have been no material unauthorized intrusions or breaches of the security of the information technology or communication systems used in connection with their operations and Business.
- (pp) **Insurance.** The Corporation maintains insurance against such losses, risks and damages to their Business Assets in such amounts that are: (i) customary for the business in which it is engaged, (ii) on a basis consistent with reasonably prudent Persons in comparable businesses, and (iii) in compliance with the requirements contained in any Material Agreement; and all of the policies in respect of such insurance coverage, fidelity or surety bonds insuring the Corporation and its directors, officers and employees, and the Business Assets, are in good standing and in full force and effect in all respects, and not in default. The Corporation is in

compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Corporation under any such policy or instrument as to which any insurance Corporation is denying liability or defending under a reservation of rights clause except as disclosed in the Financial Information; the Corporation has not failed to promptly give any notice of any material claim thereunder.

Environmental Compliance

- (qq) Except to the extent that any violation or other matter referred to in this subsection does not have a Material Adverse Effect on the Corporation:
 - (i) the Corporation has conducted, and is conducting, its business in compliance in all material respects with all legislation, regulations or by-laws or other lawful requirements of any governmental or regulatory bodies (“**Environmental Laws**”) of each jurisdiction in which it carries on its respective business relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substance (“**Hazardous Substances**”) or the licensing thereof;
 - (ii) the Corporation has not failed to report to the proper federal, provincial, state, 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 Laws; and
 - (iii) the Corporation holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect.
- (rr) The Corporation has not:
 - (i) received any notice of, or been prosecuted for, an offence alleging non-compliance with any Environmental Laws;
 - (ii) settled any allegation of non-compliance short of prosecution; or
 - (iii) received notice of any orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation or in respect of the release or transportation of Hazardous Substances;
- (ss) To the knowledge of the Corporation, there has not occurred any material spills, emissions or pollution of any property of the Corporation, or for which the Corporation is or may be responsible, nor is the Corporation the subject of any

outstanding stop orders, control orders, clean-up orders or reclamation orders under applicable Environmental Laws and regulations.

Employment Matters

- (tt) **Employment Laws.** The Corporation is in compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, workers' compensation, occupational health and safety and pay equity and wages. There are no claims, complaints, outstanding decisions, orders or settlements or pending claims, complaints, decisions, orders or settlements under any human rights legislation, employment standards legislation, workers' compensation legislation, occupational health and safety legislation or similar laws nor has any event occurred which may give rise to any of the foregoing.
- (uu) **Employee Plans.** Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Corporation for the benefit of any current or former director, officer, employee or consultant of the Corporation (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all Applicable Laws to such Employee Plans.
- (vv) **Labour Matters.**
 - (i) There is not currently any labour disruption, dispute, slowdown, stoppage, complaint or grievance outstanding or, to the knowledge of the Corporation, threatened or pending, against the Corporation which is adversely affecting or could adversely affect, in a material manner, the carrying on of the business of the Corporation and no union representation exists for the employees of the Corporation and no collective bargaining agreement is in place or being negotiated by the Corporation.
 - (ii) There is not currently any labour disruption, dispute, slowdown, stoppage, complaint or grievance outstanding or, to the knowledge of the Corporation, threatened or pending, against the Corporation which is adversely affecting or could adversely affect, in a material manner, the carrying on of the business of the Corporation and no union representation exists for the employees of the Corporation and no collective bargaining agreement is in place or being negotiated by the Corporation.

11. COVENANTS OF THE CORPORATION

- (a) **Consents and Approvals:** Immediately following the acceptance by the Corporation hereof, the Corporation covenants and agrees with the Agent and the Purchasers (and acknowledges that such covenants and agreements are

incorporated by reference in the Subscription Agreements) that the Corporation will:

- (i) obtain, to the extent not already obtained, all consents and authorizations as may be required by the Corporation under Securities Laws necessary for the consummation of the transactions herein, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Securities Laws and the rules of the Exchange;
- (ii) make all necessary filings to obtain all other necessary regulatory and other consents and approvals required in connection with the transactions contemplated by this Agreement; and
- (iii) arrange for the listing of the Offered Shares, Advisory Fee Shares, if applicable, and the Agent Warrant Shares issuable upon exercise of the Agent Warrants on the Exchange.

(b) **General:** The Corporation hereby covenants and agrees with the Agent and the Purchasers (and acknowledges that such covenants and agreements are incorporated by reference in the Subscription Agreements) that the Corporation will:

- (i) fulfill all legal requirements to permit the creation, issue, offering and sale of the Offered Shares and the creation and issue of the Agent Warrants and the issue of the Agent Warrant Shares and Advisory Fee Shares, if applicable, as contemplated in this Agreement including, without limitation, compliance with the Securities Laws of the Offering Jurisdictions to enable the Offered Shares to be offered for sale and sold to the Purchasers and the Agent Warrants to be issued to the Agent without the necessity of filing a prospectus in the Offering Jurisdictions;
- (ii) maintain the status thereof as a reporting issuer not in default under the securities legislation of each of the jurisdictions in which it is currently a reporting issuer for a period of 12 months after the Closing Date; and
- (iii) not take, directly or indirectly, and will use its best efforts to cause its officers, directors or affiliates not to take, directly or indirectly, any action designed to, or that might in the future be expected to cause or result in, stabilization or manipulation of the price of any securities of the Corporation.
- (iv) forthwith after the Closing Date, file such documents as may be required under the Securities Laws of the Offering Jurisdictions relating to the Offering which, without limiting the generality of the foregoing, shall include a Form 45-106F1 as prescribed under National Instrument 45-106, *Prospectus Exemptions* of the Canadian Securities Administrators.

- (c) **Use of Proceeds:** The Corporation agrees to use the proceeds of the Offering for working capital and general corporate purposes.

12. TERMINATION

- (a) **Right of Termination:** The Agent shall be entitled, at its sole option, to terminate and cancel, without any liability on the part of the Agent, all of the obligations thereof under this Agreement and the obligations of any Person who has executed a Subscription Agreement, by notice in writing to that effect delivered to the Corporation prior to or at the Closing Time if:
 - (i) the Agent is not satisfied in its sole discretion thereof with the results of the due diligence review and investigation of the Corporation conducted by the Agent;
 - (ii) there is in the sole opinion of the Agent a material change or change in a material fact or new material fact or an undisclosed material fact or material change which might be expected to have a Material Adverse Effect on the condition (financial or otherwise), capital, property, assets, operations, business, affairs, profitability or prospects of the Corporation or on the market price or value of the Common Shares or any other securities of the Corporation or on the marketability of the Offered Shares;
 - (iii) there should develop, occur or come into effect any occurrence of national or international consequence, or any action, law or regulation, inquiry or other event, action or occurrence of any nature whatsoever which, in the reasonable opinion of the Agent, seriously affects, or could seriously affect, the financial markets, the condition (financial or otherwise), capital, property, assets, operations, business, affairs, profitability or prospects of the Corporation or the market price or value of the Common Shares or any other securities of the Corporation or the marketability of the Offered Shares;
 - (iv) the state of the financial markets is such that in the reasonable opinion of the Agent it would be unprofitable to offer or continue to offer for sale the Offered Shares;
 - (v) any order or ruling is issued, or any inquiry, action, suit, proceeding or investigation (whether formal or informal) is instituted or announced or threatened in relation to the Corporation or any of the directors, officers or principal shareholders of the Corporation (other than one based solely upon the activities or alleged activities of the Agent) or any law or regulation is promulgated or changed which prevents or restricts trading in or the distribution of the Offered Shares, the Common Shares or any other securities of the Corporation (other than one based solely upon the activities or alleged activities of the Agent) or any law or regulation is promulgated or changed which prevents or restricts trading in or the distribution of the

Offered Shares, the Common Shares or any other securities of the Corporation (other than one based solely upon the activities or alleged activities of the Agent) or any law or regulation is promulgated or changed which prevents or restricts trading in or the distribution of the Offered Shares, the Common Shares or any other securities of the Corporation;

- (vi) the Corporation is in breach of any term, condition, covenant or agreement contained in this Agreement or in any Subscription Agreement or any representation or warranty given by the Corporation in this Agreement or in any Subscription Agreement is or becomes untrue, false or misleading; or
- (vii) any order to cease or suspend trading in any securities of the Corporation is made, threatened or announced by the Exchange or any securities regulatory authority.

- (b) **Rights on Termination:** Any termination by the Agent pursuant to subsection 12(a) hereof shall be effected by notice in writing delivered by the Agent to the Corporation at the address thereof as set out in Section 16 hereof. The right of the Agent to so terminate the obligations thereof under this Agreement is in addition to such other remedies as the Agent may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement. In the event of a termination by the Agent pursuant to subsection 12(a) hereof, there shall be no further liability on the part of the Agent to the Corporation or of the Corporation to the Agent except any liability which may have arisen or may thereafter arise under either Section 13 or 14 hereof.

13. INDEMNITY AND CONTRIBUTION

- (a) **Indemnity:** The Corporation hereby covenants and agrees to protect, indemnify and save harmless the Agent and each investment dealer which is a member of any selling group formed by the Agent in connection with the Offering, each of the associates and affiliates of and the directors, officers, employees, shareholders, partners, advisors and agents of the Agent and each investment dealer which is a member of any selling group formed by the Agent in connection with the Offering and of each of the associates and affiliates of (in this Section 13 each an “**Indemnified Person**” and collectively the “**Indemnified Persons**”) from and against all losses (other than a loss of profits), claims, damages, payments, liabilities, costs, fines, penalties and expenses (including the amount paid in settlement of any claim, action, suit or proceeding and the fees and expenses of counsel on a solicitor and his own client basis incurred obtaining advice in respect of, or in defending or settling, any such claim, action, suit or proceeding), joint or several, of whatsoever nature or kind to which an Indemnified Person may become subject or otherwise involved in any capacity under statute or common law or otherwise caused or incurred by reason of or in any way arising, directly or indirectly, from, by virtue of, or related to, enforcing the provisions of this Agreement or any Subscription Agreement, or:

- (i) the Agent having acted as the Agent of the Corporation in respect of the Offering (other than by reason of the negligence, willful misconduct or bad faith of the Agent);
- (ii) any statement or information contained in the Financial Information which at the time and in light of the circumstances under which it was made containing or being alleged to contain a misrepresentation or being or being alleged to be untrue, false or misleading;
- (iii) the omission or alleged omission to state in the Financial Information any material fact required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;
- (iv) any order made or inquiry, investigation or proceeding commenced or threatened by any officer or official of the Exchange, any Securities Commission or authority or any other competent authority, not based upon the activities or the alleged activities of the Agent or any member of any agency group formed by the Agent in connection with the Offering;
- (v) the non-compliance or alleged non-compliance by the Corporation with any of the Securities Laws of the Offering Jurisdictions or any other applicable law in connection with the transactions contemplated herein;
- (vi) any negligence or willful misconduct by the Corporation relating to or connected with the sale by the Corporation of the Offered Shares;
- (vii) any misrepresentation or alleged misrepresentation (except any made by the Agent and for which the Agent did not rely on any information provided by the Corporation or anyone acting on its behalf) relating to the Offering or the Offered Shares, whether oral or written and whether made during and in connection with the Offering or in respect of the trading of the Offered Shares in the secondary market after the completion of the Offering, where such misrepresentation or alleged misrepresentation may give or gives rise to any other liability under any statute in any jurisdiction which is in force on the date of this Agreement or which comes into force after that date;
- (viii) any failure or alleged failure to make timely disclosure of a material change by the Corporation, whether such failure or alleged failure occurs during the Offering or after the completion of the Offering, where such failure relates to the Offering or the Offered Shares and may give or gives rise to any liability under any statute in any jurisdiction which is in force on the date of this Agreement or which comes into force after that date; or
- (ix) the breach of, or default under, any term, condition, covenant or agreement of the Corporation made or contained herein or in any other document of the Corporation delivered pursuant hereto or made by the Corporation in connection with the sale of the Offered Shares or any representation or

warranty of the Corporation made or contained herein or in any other document of the Corporation delivered pursuant hereto or in connection with the sale of the Offered Shares being or being alleged to be untrue, false or misleading.

If any matter or thing contemplated by this Section 13 shall be asserted against any Indemnified Person in respect of which indemnification is or might reasonably be considered to be provided hereunder, such Indemnified Person shall notify the Corporation as soon as possible of the nature of such claim and the Corporation shall be entitled, but not required, to assume the defence of any action, suit or proceeding brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to the Indemnified Person and that no settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other of them and the Corporation shall not be liable for any settlement of any such claim unless it has consented in writing to such settlement.

- (b) **Counsel:** In any claim referred to in Section 13 hereof, the Indemnified Person shall have the right to retain separate legal counsel to act on behalf of such Indemnified Person provided that the fees and disbursements of such separate legal counsel shall be paid by the Indemnified Person unless:
- (i) the Corporation fails to assume the defence of such claim on behalf of the Indemnified Person within ten days of receiving notice of such claim;
 - (ii) the Corporation and the Indemnified Person shall have mutually agreed to the retention of such separate legal counsel; or
 - (iii) the named parties to such claim (including any added, third or impleaded parties) include both the Corporation and the Indemnified Person and the Indemnified Person has been advised by legal counsel that representation of both the Corporation and the Indemnified Person by the same legal counsel would be inappropriate due to actual or potential differing interests between them;

in which event or events the fees and disbursements of such separate legal counsel shall be paid by the Corporation, subject as hereinafter provided. Where more than one Indemnified Person is entitled to retain separate counsel in the circumstances described in this subsection 13(b), all Indemnified Persons shall be represented by one separate legal counsel and the fees and disbursements of only one separate legal counsel for all Indemnified Persons shall be paid by the Corporation, unless:

- (iv) the Corporation and the Indemnified Persons have mutually agreed to the retention of more than one legal counsel for the Indemnified Persons; or
- (v) the Indemnified Persons have or any of them has been advised in writing by legal counsel that representation of all of the Indemnified Persons by the

same legal counsel would be inappropriate due to actual or potential differing interests between them.

- (c) **Waiver of Right:** The Corporation hereby waives its right to recover contribution from the Agent and the other Indemnified Persons with respect to any liability of the Corporation by reason of or arising out of the indemnity provided by the Corporation in this Section 13; provided, however, that such waiver shall not apply in respect of the Agent for any liability directly caused or incurred by reason or arising out of any information or statements relating solely to, and provided by, the Agent or any failure by the Agent in connection with the Offering to provide to Purchasers any document which the Corporation is required to provide to the Purchasers and which the Corporation has provided or made available to the Agent to forward to the Purchasers.
- (d) **Contribution:**
 - (i) In order to provide for just and equitable contribution in circumstances in which the indemnity contained in this Section 13 is, for any reason of policy or otherwise, held to be unavailable to or unenforceable by, in whole or in part, an Indemnified Person other than in accordance with the provisions of this Section 13, the Corporation shall contribute to the aggregate losses (other than a loss of profit), claims, damages, payments, liabilities, costs, fines, penalties and expenses (including the amount paid in settlement of any claim, action, suit or proceeding and the fees and expenses of counsel on a solicitor and his own client basis incurred obtaining advice in respect of, or in defending or settling, any such claim, action, suit or proceeding) of the nature contemplated by such indemnity incurred or paid by the Indemnified Person in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Indemnified Person on the other hand in connection with the Offering but also the relative fault of the Corporation on the one hand and the Indemnified Person on the other hand in connection with the matters, things and actions which resulted in such losses, claims, damages, payments, liabilities, costs, fines, penalties or expenses as well as any other relevant equitable considerations or, if such allocation is not permitted by applicable law, in such proportion so that the Indemnified Person shall be responsible for the proportion represented by the percentage that the Cash Commission per Offered Share bears to the Purchase Price and the Corporation shall be responsible for the balance, whether or not it is a party to the same or separate claims; provided, however, that no Person who has engaged in any dishonesty, fraud, fraudulent misrepresentation, gross negligence or willful default shall be entitled to contribution from any Person who has not engaged in any dishonesty, fraud, fraudulent misrepresentation, gross negligence or willful default and further provided that in no event shall the Agent be responsible for any amount in excess of the Cash Commission actually received from the Corporation under this Agreement and retained by the Agent unless the cause for a contribution for any such amount is a

direct result of the dishonesty, fraud, fraudulent misrepresentation, gross negligence or wilful default of the Agent. For purposes of this subsection 13(c), relative fault shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or any omission or alleged omission to state a material fact relates to information supplied by the Corporation on the one hand or the Agent on the other hand and the relevant intent, knowledge, access to information and opportunity to correct or prevent any such untrue statement or omission of the Corporation and the Indemnified Person.

- (ii) In the event that the Corporation is held to be entitled to contribution from the Agent under the provisions of any statute or law, and provided that the Agent has not directly engaged in any dishonesty, fraud, fraudulent misrepresentation, gross negligence or willful default, the Corporation shall be limited to such contribution in an amount not exceeding the lesser of:
 - (1) the portion of the amount of the loss or liability giving rise to such contribution for which the Agent is responsible as determined in accordance with subsection 13(c) above; and
 - (2) the amount of the Cash Commission actually received from the Corporation under this Agreement and retained by the Agent.
- (iii) For purposes of this subsection 13(c), each party hereto shall give prompt notice to the other party hereto of any claim, action, suit or proceeding threatened or commenced in respect of which a claim for contribution may be made under this subsection 13(c).
- (e) **Held in Trust:** To the extent that the indemnity contained in subsection 13(a) hereof is given in favour of a Person who is not a party to this Agreement, the Corporation hereby constitutes the Agent as trustee for such Person for such indemnity and the covenants given by Corporation to such Person in this Agreement. The Agent hereby accepts such trust and holds such indemnity and covenants for the benefit of such Persons. The benefit of such indemnity and covenants shall be held by the Agent in trust for the Persons in favour of whom such indemnities and covenants are given and may be enforced directly by such Persons.

14. **EXPENSES**

Whether or not the purchase and sale of the Offered Shares shall be completed as contemplated by this Agreement, all expenses of or incidental to the issue, sale and delivery of the Offered Shares and of or incidental to all matters in connection with the transaction herein set out shall be borne by the Corporation, including, without limitation, the reasonable fees and disbursements (including applicable taxes) of legal counsel for the Agent (which shall not exceed \$75,000, exclusive of taxes and disbursements) and the reasonable out-of-pocket expenses (including applicable taxes) of the Agent, including and any advertising, printing, courier, telecommunications, data search,

roadshow presentation, travel, entertainment and other expenses incurred by the Agent in connection with the Offering.

15. CONDITIONS

All of the terms and conditions contained in this Agreement to be satisfied by the Corporation prior to the Closing Time shall be construed as conditions and any breach or failure by the Corporation to comply with any of such terms and conditions shall entitle the Agent to terminate the obligations thereof to complete the Closing by written notice to that effect given by the Agent to the Corporation prior to the Closing Time. It is understood and agreed that the Agent may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights thereof in respect of any other such term and condition or any other or subsequent breach or non-compliance; provided that to be binding on the Agent any such waiver or extension must be in writing and signed by the Agent. If the Agent shall elect to terminate the obligations thereof to complete the Closing as aforesaid, whether the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation hereunder shall be limited to the indemnity referred to in Section 13 hereof, the right to contribution referred to in Section 13 hereof and the payment of expenses referred to in Section 14 hereof.

16. NOTICES

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by email on a Business Day to the following addresses:

- (a) in the case of the Corporation:

SPARQ Systems Inc.
945 Princess St. Box 212
Kingston, Ontario, K7L 0E9

Attention: Praveen Jain
Email: pjain@sparqsys.com

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

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Richard M. Kimel
Email: rkimel@airdberlis.com

- (b) in the case of the Agent:

Pollitt & Co. Inc.
330 Bay Street, Suite 405

Toronto, Ontario, M5H 4C7

Attention: Doug Pollitt
Email: dpollitt@pollitt.com

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

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Liam Tracey-Raymont
Email: ltracey-raymont@airdberlis.com

Either the Corporation or the Agent may change its address for notice by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered to a responsible officer of the addressee, shall be given by email, and shall be deemed to have been given on the day on which it was delivered or sent by email.

17. MISCELLANEOUS

- (a) **Governing Law:** This Agreement shall be governed by and be interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdiction of the courts of such province.
- (b) **Time of Essence:** Time shall be of the essence of this Agreement.
- (c) **Survival:** All representations, warranties, covenants and agreements of the Corporation herein contained or contained in any documents contemplated by, or delivered pursuant to, this Agreement or in connection with the purchase and sale of the Offered Shares shall survive the purchase and sale of the Offered Shares and shall continue in full force and effect for the benefit of the Agent and the Purchasers for a period of two (2) years following the Closing Date, regardless of any subsequent disposition of Offered Shares, Advisory Fee Shares or Agent Warrant Shares or any investigation by or on behalf of the Agent with respect thereto.
- (d) **Counterparts:** This Agreement may be executed by any one or more of the parties to this Agreement by facsimile or in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.
- (e) **Entire Agreement:** This Agreement constitutes the entire agreement between the Corporation and the Agent in connection with the issue and sale of the Offered Shares by the Corporation and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, including, but not limited to,

any engagement agreement or term sheet relating to the Offering between the Corporation and the Agent.

- (f) **Severability:** If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severed from this Agreement.
- (g) **Language:** The parties hereto acknowledge and confirm that they have requested that this Agreement as well as all notices and other documents contemplated hereby be drawn up in the English language. *Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.*

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If the Corporation is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

Yours very truly,

POLLITT & CO INC.

Per: (signed) "*Douglas Pollitt*"
Name: Douglas Pollitt
Title: Chief Executive Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

Dated this 31st day of May, 2024.

SPARQ SYSTEMS INC.

Per: (signed) "*Praveen Jain*"
Name: Praveen Jain
Title: Chief Executive Officer