

AGENCY AGREEMENT

May 21, 2024

FRNT Financial Inc.
49 Wellington Street East
Toronto, ON
M5E 1C9

Attention: Stéphane Ouellette, Chief Executive Officer

Fort Capital Securities Ltd. (the “**Agent**”) understands that FRNT Financial Inc. (the “**Corporation**”) proposes to issue and sell 2,070,000 Units of the Corporation (the “**Units**”) at a price of \$0.60 per Unit (the “**Issue Price**”), for gross proceeds of \$1,242,000 (the “**Offering**”) pursuant to the “listed issuer financing exemption” (the “**Listed Issuer Financing Exemption**”) from the prospectus requirements set out in Part 5A of NI 45-106 (as hereinafter defined) and further that the Corporation wishes to appoint the Agent as the sole agent for the Offering on an exclusive basis as set forth in this Agreement. Each Unit will be comprised of one Common Share (an “**Offered Common Share**”) and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “**Warrant**”). Each Warrant will be exercisable to acquire one Common Share (a “**Warrant Share**”) for a period of 36 months following the Closing Date at an exercise price of \$0.90 per Warrant Share, provided that, if the daily volume weighted average trading price of the Common Shares for a period of ten (10) consecutive trading days is greater than \$1.20 per Common Share (subject to any adjustment for subdivisions, consolidations or similar events affecting the Common Shares), the Corporation may, within one trading day and subject to the approval of the Exchange (as hereinafter defined) or such other applicable stock exchange on which the Common Shares are then listed, accelerate the expiry date of the Warrants by notice in writing to the holders of the Warrants and the Agent (the “**Acceleration Notice**”) such that the Warrants will expire upon the earlier of: (i) the date that is thirty (30) calendar days immediately following the date of the Acceleration Notice; and (ii) the original Warrant expiry date.

Upon and subject to the terms and conditions set out below, the Corporation hereby appoints the Agent, and the Agent agrees, to act as the Corporation’s exclusive agent for the Offering and to use its commercially reasonable efforts to solicit and obtain offers to purchase, and subscriptions, for the Units. For greater certainty, it is understood that the obligations of the Agent with respect to the sale of the Units will be limited to its commercially reasonable efforts, with no undertaking, express or implied, nor commitment of the Agent to purchase or arrange for the purchase of any Units.

In consideration for its services hereunder, the Corporation agrees to pay and issue to the Agent the fees and other compensation set forth in this Agreement. The Corporation has included certain Subscribers as identified by the Corporation on a “president’s list”, as mutually agreed between the Corporation and the Agent, in a format satisfactory to the Agent (the “**President’s List**”); provided, however, that: (i) the Agent and any Selling Firms (as hereinafter defined) shall not be required to conduct a suitability review in respect of sales to Subscribers on the President’s List; and (ii) the Corporation acknowledges and agrees that the Subscribers on the President’s List do not and will not have any recourse to or any right against the Agent, the Agent does not and will not have any liability whatsoever to the Subscribers on the President’s List and the Corporation shall indemnify and save harmless the Agent, any Selling Firms and any Indemnified

Party (as hereinafter defined) for and against all claims relating to any sales of the Units by the Corporation to any Subscriber on the President's List.

The following are the terms and conditions of the agreement between the Corporation and the Agent respecting the Offering:

ARTICLE 1 INTERPRETATION

1.1 In this Agreement,

"Acceleration Notice" has the meaning given to it in the first paragraph of this Agreement;

"Agency Fee" means the fee payable to the Agent as specified in Section 7.1 of this Agreement;

"Agent" has the meaning given to it in the first paragraph of this Agreement;

"Agent's Counsel" means Stikeman Elliot LLP;

"Agreement" means this agreement, as it may be amended, modified or supplemented from time to time in accordance with its terms;

"Alternative Transaction" means any equity or debt financing of the Corporation or any similar transaction involving the Corporation with any arm's length party;

"Applicable Securities Laws" means, collectively, and, as the context may require, (i) all applicable securities Laws of each of the Offering Jurisdictions, together with the published regulations, rules, rulings and orders made under those securities Laws and forms prescribed thereunder together with all the applicable published policy statements, blanket orders and rulings of multilateral or national instruments and similar instruments issued or adopted by the Securities Commissions; and (ii) the securities Laws of each other Offering Jurisdiction together with applicable published policy statements of the Securities Commission of such other Offering Jurisdictions;

"Broker Warrant Shares" means the Common Shares underlying the Broker Warrant Units;

"Broker Warrant Certificate" means the broker warrant certificate evidencing the issuance of the Broker Warrants to be issued to the Agent on Closing;

"Broker Warrant Units" means the Units issuable upon the exercise of the Broker Warrants;

"Broker Warrants" has the meaning given to it in Section 7.2 of this Agreement;

"Business Day" means a day other than a Saturday, Sunday or statutory or banking holiday in the Province of Ontario and the Province of British Columbia;

"Canadian Offering Jurisdictions" means the provinces of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan;

"Claim" has the meaning given to it in Section 9.1 of this Agreement;

“Closing” means the closing of the Offering on the Closing Date as contemplated by this Agreement;

“Closing Date” means, as applicable May 21, 2024;

“Common Shares” means common shares in the capital of the Corporation, as currently constituted;

“Contract” means any written or oral agreement, indenture, contract, lease, sublease, deed of trust, licence, option, or other legally enforceable obligation of or in favour of the applicable person;

“Corporation” has the meaning given to it in the first paragraph of this Agreement;

“Corporation Subsidiaries” means the Material Subsidiary and FRNT Financial UK Limited;

“Corporation’s Counsel” means Cassels Brock & Blackwell LLP;

“Corporation’s Information Record” means any statement contained in any press release, material change report, financial statement, annual information form, annual or interim report, proxy circular or other document of the Corporation which has been filed on SEDAR+, including the LIFE Offering Document;

“Enforceability Qualifications” means that enforceability is subject to bankruptcy, insolvency and other similar Laws affecting creditors’ rights generally and to general principles of equity;

“Environmental Laws” means any applicable federal, provincial, state, local, municipal or foreign Law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including Laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such materials;

“Exchange” means the TSX Venture Exchange;

“Exchange Approval” means the approval of the Exchange for the Offering, subject to satisfaction of certain customary post-closing conditions imposed by the Exchange;

“Expenses” has the meaning given to such term in Section 11.1 of this Agreement;

“Financial Information” means the audited consolidated financial statements of the Corporation for the year ended June 30, 2023, including the notes thereto, together with the report of the auditors thereon and the unaudited interim condensed financial statements of the Corporation for the three and six months ended December 31, 2023, including the notes thereto;

“Governmental Authority” means any (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) subdivision or authority of any of the foregoing; (iii) quasi-governmental, self-regulatory organization or private body exercising any regulatory,

expropriation or taxing authority under or for the account of its members or any of the above (including the Exchange); or (iv) arbitrator exercising jurisdiction over the affairs of the applicable person, asset, obligation or other matter;

“**IFRS**” has the meaning given to it in Section 3.2(g) of this Agreement;

“**including**” means including without limitation and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it;

“**Indemnified Party**” has the meaning given to it in Section 9.1 of this Agreement;

“**Investor Questionnaires**” means the separate investor questionnaires to be completed by Subscribers under the Offering;

“**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;

“**Issue Price**” has the meaning given to it in the first paragraph of this Agreement;

“**IT Systems**” has the meaning given to it in Section 3.2(n) of this Agreement;

“**knowledge of the Corporation**” (or similar phrases) means the actual knowledge, after due enquiry, of the President, Chief Executive Officer or the Chief Financial Officer of the Corporation;

“**Law**” means any federal, provincial, territorial, state or municipal law, statute, ordinance, regulation, rule, by-law, judgment, decree, order or award of any Governmental Authority of competent jurisdiction;

“**Legal Costs**” has the meaning given to such term in Section 11.1 of this Agreement;

“**Lien**” means any encumbrance or title defect of whatever 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, hypothec, pledge, title retention agreement, reservation of title, servitude, right of way, restrictive covenant, right of use or any matter capable of registration against title or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy property or assets;

“**LIFE Offering Document**” means the listed issuer financing document of the Corporation dated April 5, 2024, and filed on SEDAR+ in accordance with the requirements of Part 5A of NI 45-106 in connection with the Offering;

“**Listed Issuer Financing Exemption**” has the meaning given to it in the first paragraph of this Agreement;

“**Offered Common Share**” has the meaning given to it in the first paragraph of this Agreement;

“**Other Costs**” has the meaning given to such term in Section 11.1 of this Agreement;

“**Material Adverse Effect**” means the effect resulting from any event or change which has a material adverse effect on the consolidated business, affairs, capital, operations or assets (including assets in which the Corporation has a direct or indirect economic interest) of the Corporation;

“**material change**” has the meaning ascribed to such term in NI 51-102;

“**material fact**” means a material fact with respect to the Common Shares for the purposes of the Applicable Securities Laws or any of them;

“**Material Subsidiary**” means FRNT Asset Management Inc.;

“**misrepresentation**” means a misrepresentation as defined under the Applicable Securities Laws or any of them;

“**NEO**” has the meaning given to it in Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*;

“**NI 45-106**” means National Instrument 45-106 - *Prospectus Exemptions*;

“**NI 51-102**” means National Instrument 51-102 - *Continuous Disclosure Obligations*;

“**Offering**” has the meaning given to it in the first paragraph of this Agreement;

“**Offering Jurisdictions**” means the Canadian Offering Jurisdictions and such other jurisdictions as the Agent and the Corporation may agree, including certain “offshore” jurisdictions outside of Canada and the United States;

“**Outstanding Convertible Securities**” means all outstanding options (whether put or call options), share purchase or acquisition rights, or warrants and other convertible securities outstanding, whether issued pursuant to an established plan or otherwise, that entitle or obligate any person to acquire new Common Shares from the Corporation;

“**person**” means any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“**Prescribed News Release**” means the news release of the Corporation dated April 5, 2024, issued and filed in accordance with the requirements of the Listed Issuer Financing Exemption;

“**President’s List**” has the meaning given to it in the third paragraph of this Agreement;

“**President’s List Subscribers**” has the meaning given to it in Section 7.1 of this Agreement;

“**Regulation S**” means Regulation S under the U.S. Securities Act;

“**Securities Commissions**” means, collectively, the securities commissions or similar regulatory authorities in each of the Canadian Offering Jurisdictions, and “**Securities Commission**” means a securities commission in any one Canadian Offering Jurisdiction, as the context may require;

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

“**Stock Option Plan**”, has the meaning given to it in Section 3.2(c) of this Agreement;

“**Subscribers**” means purchasers of the Units under the Offering;

“**subsidiary**” has the meaning ascribed to such term in the *Securities Act* (Ontario);

“**Survival Limitation Date**” means May 21, 2026;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Time of Closing**” means 8:30 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as may be agreed to by the Corporation and the Agent;

“**Transaction Documents**” means certificates evidencing the Warrants and the Broker Warrant Certificates;

“**Underlying Broker Warrants**” means Warrants underlying the Broker Warrant Units issuable upon the exercise of the Broker Warrants;

“**Underlying Broker Warrant Shares**” means the Common Shares issuable upon the exercise of the Underlying Broker Warrants;

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

“**Units**” has the meaning given to it in the first paragraph of this Agreement;

“**U.S. Person**” has the meaning given to such term in Rule 902(k) of Regulation S;

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

“**Warrant**” has the meaning given to it in the first paragraph of this Agreement; and

“**Warrant Share**” has the meaning given to it in the first paragraph of this Agreement.

1.2 The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and *vice versa*, and words importing gender include all genders. References to “paragraph”, “Section” and “Article” (unless otherwise indicated) are to the appropriate paragraphs, Sections and Articles of this Agreement. Unless the context otherwise requires, any reference to a statute shall be deemed to include regulations made pursuant thereto, all amendments in force from time to time and any statute or regulation that may be passed that has the effect of supplementing or superseding the statute or regulation referred to.

1.4 Any action or payment required or permitted to be taken or made hereunder on a day

which is not a Business Day shall or may be, as the case may be, taken or made on the next succeeding Business Day, except when otherwise prescribed by Applicable Securities Laws or rules and policies of the Exchange, with the same force and effect as if taken or made within the period for the taking or making of such action.

- 1.5 This Agreement shall be governed by and construed in accordance with the internal laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference to conflicts of law rules or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction and the parties hereto irrevocably accept and attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- 1.6 All amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.
- 1.7 The following are the schedules attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:
 - Schedule "A" - Form of Lock-Up Agreement

ARTICLE 2 PURCHASE, SALE AND DISTRIBUTION

- 2.1 Subject to the terms and conditions of this Agreement, the Agent hereby agrees to act, and upon acceptance hereof, the Corporation hereby appoints the Agent, as the Corporation's agent, to offer for sale by way of private placement on a "best efforts" basis in the Offering Jurisdictions the Units at the Issue Price per Unit, and the Agent will use its commercially reasonable efforts to solicit and obtain offers to purchase and subscriptions for Units. The obligation of the Agent with respect to the sale of the Units will be limited to its commercially reasonable efforts, with no undertaking, express or implied, nor commitment of the Agent to purchase or arrange for the purchase of any Units.
- 2.2 If required by the Exchange, the Agent will give written notice of the distribution of the Units to the Exchange, in such form as may be required by the Exchange.
- 2.3 Each Subscriber who is resident in one of the Offering Jurisdictions will purchase Units under the Listed Issuer Financing Exemption so that the Corporation will be exempt from the prospectus requirements of the Applicable Securities Laws with respect to any distribution under the Offering. The Corporation will use its commercially reasonable efforts to comply with all applicable securities regulatory requirements to which the Corporation is subject in connection with the Offering. The Agent agrees to assist the Corporation in all reasonable respects to secure compliance with all regulatory requirements in connection with the Offering. The Agent will provide the Corporation with the identity of each Subscriber and other necessary information respecting each Subscriber as soon as practicable, and with a view to affording the Corporation sufficient time to comply with all relevant regulatory requirements under Applicable Securities Laws relating to the distribution of the Units.
- 2.4 The certificates, if any, or ownership statements representing the Offered Common Shares and Warrants Shares, as applicable pursuant to the policies of the Exchange, and Broker Warrants issued during the relevant hold period, and any further Broker Warrant

Shares, Underlying Broker Warrants or Underlying Broker Warrant Shares issued during such period (and each certificate or ownership statement issued in transfer of any such securities prior to the date which is four months and one day after the Closing Date), will bear or be deemed to bear, as applicable, the following legend, in addition to any other legend required under Applicable Securities Laws, substantially in the following form with the necessary information inserted:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [insert date that is four months and one day after the Closing Date].”

And, if applicable and required pursuant to the policies of the Exchange, the legend in the following form with the necessary information inserted:

“WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [insert date that is four months and one day after the Closing Date].”

- 2.5 The Agent at its own expense (and, for certainty, at no cost to the Corporation) may offer selling group participation in the normal course of the brokerage business to selling groups of other licenced dealers, brokers and investment dealers (“**Selling Firms**”), who may or who may not be offered part of the Agency Fee or Broker Warrants, provided that any Selling Firms will be required to comply with the terms of this Agreement as if they were original signatories hereto.
- 2.6 The parties acknowledge and agree that the Offered Common Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any United States state securities laws, and the Agent agrees that neither it nor any of its affiliates, nor any person acting on any of its behalf, has offered or will offer to sell or has solicited or will solicit any offer to buy, directly or indirectly, any of the Offered Common Shares or Warrants to, or for the account or benefit of, a person in the United States or a U.S. Person.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations, Warranties, Covenants and Acknowledgements of the Agent

The Agent hereby represents, warrants and covenants with the Corporation that:

- (a) it is a valid and subsisting corporation, duly incorporated, continued, amalgamated or formed, as applicable, and in good standing under the laws of the jurisdiction in which it is existing;
- (b) it has all requisite corporate power and capacity to enter into this Agreement and to carry out the transactions contemplated under this Agreement on the terms and conditions set forth herein;

- (c) it will conduct (and has conducted) activities in connection with arranging for the sale of the Units in compliance with the Applicable Securities Laws of the Canadian Offering Jurisdictions, and it will cause any sub-agent or Selling Firm to do the same;
- (d) it is a duly registered dealer in the Canadian Offering Jurisdictions and in compliance with the Applicable Securities Laws of each such jurisdiction and with the terms and conditions of its registration;
- (e) it will not solicit (and has not solicited) offers to purchase or sell the Units generally or so as to require registration of, or the filing of a prospectus, offering memorandum or similar document (other than the LIFE Offering Document and the Prescribed News Release) with respect to, the Units under the laws of any jurisdiction, including the United States, and it will not solicit (and has not solicited) offers to purchase or sell the Units in any jurisdiction outside the Offering Jurisdictions;
- (f) it will not provide (and has not provided) to prospective purchasers an offering memorandum within the meaning of Applicable Securities Laws or other material detailing the business or affairs of the Corporation, and it will not advertise (and has not advertised) the Offering in (i) printed media of general and regular paid circulation, (ii) radio, (iii) television, or (iv) telecommunication (including electronic display) and will not make (and has not made) use of any green sheet or other internal marketing document without the prior consent of the Corporation, such consent not to be unreasonably withheld or delayed;
- (g) it will not make (and has not made) any representations or warranties with respect to the Offering other than those already contained in the Corporation's Information Record and in this Agreement;
- (h) it will, at the Time of Closing, deliver to the Corporation a list of all Subscribers and their duly completed Investor Questionnaires, which list shall contain all information regarding such Subscribers as the Corporation will be required to disclose in Schedule I to a report of exempt distribution on Form 45-106F1 filed in respect of the Offering; and
- (i) it understands, acknowledges and agrees that none of the Offered Common Shares, Warrants, Warrant Shares, Broker Warrants, Broker Warrant Shares, Underlying Broker Warrants nor the Underlying Broker Warrant Shares have been or will be registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered by the Agent and sold to, or for the account or benefit of, persons in the United States and U.S. Persons.

3.2 **Representations, Warranties and Covenants of the Corporation**

The Corporation hereby represents and warrants to, and covenants with, the Agent, on its own behalf and on behalf of the Subscribers, intending that the same may be relied upon by the Agent and the Subscribers, that:

- (a) *Good Standing of the Corporation.* The Corporation is validly existing under the *Canada Business Corporations Act* and is current and up to date with all filings

required to be made by it, and has all requisite corporate power and authority to carry on its business as currently conducted and to own, lease and operate its properties and assets and to carry out the transactions contemplated by this Agreement and the Transaction Documents and perform its obligations hereunder and thereunder. The Corporation is duly qualified or authorized to transact business and is in good standing (in respect of the filing of annual returns where required or other information filings under applicable corporations information legislation) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business.

- (b) *Material Subsidiary.* Other than FRNT Asset Management Inc. and FRNT Financial UK Limited (collectively, the “**Corporation Subsidiaries**”, each a “**Corporation Subsidiary**”), and the Corporation’s minority ownership interest in Blockstar Holdings Limited, the Corporation has no material direct or indirect ownership interest in any person. The only subsidiary that is material to the Corporation and its business, assets, properties and operations is the Material Subsidiary.
- (c) *Share Capital of the Corporation.* As of the date hereof, prior to giving effect to the Offering, the authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Class A common shares (and no other class of shares). As of the date hereof, 35,149,329 Common Shares (and no other shares) are issued and outstanding as fully paid and non-assessable shares. Other than (i) warrants exercisable for 2,200,000 Common Shares, (ii) stock options exercisable for 4,414,321 Common Shares, assuming all such stock options are vested, under the stock option plan of the Corporation (the “**Stock Option Plan**”) and compensation options exercisable for 2,500,000 Common Shares, in each case outstanding as of the date hereof, and other than pursuant to this Agreement, there are no Outstanding Convertible Securities of the Corporation or any Corporation Subsidiary. An aggregate of 6,914,321 Common Shares are issuable upon the exercise or settlement of outstanding options pursuant to the Stock Option Plan and the compensation options. Except for the Stock Option Plan, the Corporation has not adopted, sponsored or maintained any share/stock option plan or any other plan or agreement providing for equity compensation to any person that is still in effect.
- (d) *Authorization and Valid Issuance.* The Corporation has full corporate power and authority to issue the Units, Offered Common Shares, Warrants, Warrant Shares, Broker Warrants, Broker Warrant Units, Broker Warrant Shares and Underlying Broker Warrants and Underlying Broker Warrant Shares. The Offered Common Shares when issued will have been duly and validly issued as fully paid and non-assessable Common Shares. Upon the due exercise of the Warrants, Broker Warrants, and Underlying Broker Warrants, as applicable, including receipt by the Corporation of the full consideration therefor, the Offered Common Shares, Broker Warrant Shares and Underlying Broker Warrant Shares, as applicable, will be validly issued as fully paid and non-assessable Common Shares. The issuance of the Offered Common Shares, Warrant Shares, Broker Warrant Shares and Underlying Broker Warrant Shares will not be in violation of or subject to any preemptive rights or contractual rights to purchase securities issued by the Corporation.

- (e) *Warrants Validly Issued.* The Warrants and Broker Warrants have been duly authorized for issuance and sale pursuant to this Agreement and the certificates evidencing such Warrants and Broker Warrants, as applicable, and the maximum number of Underlying Broker Warrants, issuable upon due exercise of the Broker Warrants, have been duly authorized for issuance upon due exercise of such Broker Warrants in accordance with the terms of the Broker Warrant Certificate and, when so issued, will be duly and validly issued. The issuance of such Warrants, Broker Warrants and Underlying Broker Warrants will not be in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation.
- (f) *Absence of Rights.* Other than as set out in Section 3.2(c), there is no right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued Common Shares (or other shares in the capital of the Corporation), or any other agreement or option for the issue or allotment of any unissued Common Shares (or other shares in the capital of the Corporation) or any other security convertible into or exchangeable for any Common Shares (or other shares in the capital of the Corporation) or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding Common Shares.
- (g) *Financial Information.* The Financial Information:
- (i) presents fairly, in all material respects, the consolidated financial position of the Corporation, and the consolidated results of its operations and its cash flows, for the periods specified in such Financial Information;
 - (ii) conforms with International Financial Reporting Standards applicable in Canada (“**IFRS**”); and
 - (iii) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to any period covered by the Financial Information.
- (h) *Off Balance Sheet.* The Corporation has not engaged in any “off balance sheet” or similar financing.
- (i) *Liabilities.* Neither the Corporation nor any of the Corporation Subsidiaries has any material liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed, referred to or accrued and reserved against in the Financial Information, other than liabilities, obligations, indebtedness or commitments incurred after June 30, 2023 in the normal course of business or in connection with the Offering, or which would not reasonably be expected to have a Material Adverse Effect, or which are of a nature not required to be disclosed in the Financial Information accordance with IFRS;
- (j) *Non-Contravention.* Neither the Corporation nor any of the Corporation Subsidiaries is in violation of its constating documents. None of the Offering, the execution, delivery and performance of this Agreement or the Transaction Documents or the consummation of the transactions contemplated herein and

therein, including the sale of the Units and the issue of the Offered Common Shares, Warrants and the Broker Warrants (or, in each case, the issue of any underlying securities issuable directly or indirectly thereunder), does or will:

- (i) require the consent, approval, authorization, order or agreement of, or registration or qualification with, any Governmental Authority or other person, except:
 - A. such as have been obtained; or
 - B. such as may be required under the Applicable Securities Laws and the policies of the Exchange and will be obtained by the Closing Date (other than delivery to the Exchange of post-Closing materials, the filing of a report of exempt distribution on Form 45-106F1 or any similar report with respect to Units sold to U.S. Persons); or
- (ii) conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of or Lien upon any of the consolidated properties or assets of the Corporation under any provision of:
 - A. the articles or by-laws of the Corporation or the comparable organizational documents of the Corporation Subsidiary, or
 - B. subject to the filings and other matters referred to in the immediately following sentence:
 - (1) any Contract to which the Corporation or any Corporation Subsidiary is a party or by which any of their respective properties or assets are bound;
 - (2) any Law applicable to the Corporation or any Corporation Subsidiary, or any of their respective properties or assets; or
 - (3) any material governmental authorization held or obtained by the Corporation or any Corporation Subsidiary,

other than any such conflicts, violations, defaults, rights, losses or Liens that would not, in any case of (i) or (ii) above, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.
- (k) *Independent Accountants.* The accountants who reported on the Financial Information are independent with respect to the Corporation within the meaning of Applicable Securities Laws. There has never been any reportable event (within the meaning of NI 51-102) with the current or any former auditors of the Corporation.
- (l) *Material Assets.* Other than Liens arising by Law or in the ordinary course of business, the properties and assets of the Corporation and each of the Corporation Subsidiary are free and clear of all Liens, and other than such security

arrangements, liens, charges and other encumbrances or those which do not and will not reasonably be expected to have a Material Adverse Effect on the ownership or operation of such assets and properties, or property dispositions undertaken by the Corporation or any of the Corporation Subsidiary, neither the Corporation nor any of the Corporation Subsidiary has done any act or suffered or permitted any action whereby any person has acquired an interest in or to the material properties and assets of the Corporation nor any of the Corporation Subsidiaries, nor has the Corporation nor any of the Corporation Subsidiaries done any act, omitted to do any act or permitted any act to be done, that may reasonably be expected to adversely affect or defeat its title to any of the material properties and assets of the Corporation nor any of the Corporation Subsidiaries. Any and all Contracts pursuant to which the Corporation or any Corporation Subsidiary holds material assets or is entitled to the use of or to acquire ownership of material assets (whether directly or indirectly) are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms (subject to Enforceability Qualifications), and there is currently no material default of any of the provisions of any such agreements nor has any such default been alleged, and the Corporation has no knowledge of any disputes with respect thereto, and all leases, licences, concessions, rights and claims pursuant to which the Corporation and the Corporation Subsidiaries have an economic interest (whether legal or beneficial) in such material assets are in good standing and there has been no material default under any such leases, licences, concessions, rights and claims.

- (m) *Intellectual Property.* Each of the Corporation and the Material Subsidiary owns or has the right to use all of the Intellectual Property owned or used by the business of the Corporation as of the date hereof. All registrations, if any, and filings necessary to preserve the rights of the Corporation and the Material Subsidiary in the Intellectual Property have been made and are in good standing. None of the Corporation or the Material Subsidiary has any pending action or proceeding, nor any threatened action or proceeding, against any person with respect to the use of the Intellectual Property, and there are no circumstances which cast doubt on the validity or enforceability of the Intellectual Property owned or used by the Corporation and the Material Subsidiary. The conduct of the Corporation's and the Material Subsidiary's business does not, to the knowledge of the Corporation, infringe upon the intellectual property rights of any other person. None of the Corporation or the Material Subsidiary has any pending action or proceeding, nor, to the knowledge of the Corporation, is there any threatened action or proceeding against any of the Corporation or any of the Corporation Subsidiaries with respect to their use of the Intellectual Property.
- (n) *Information Technology.* The information technology and computer systems, including the software, firmware, hardware, equipment, networks, data communication lines, interfaces, databases, storage media, websites, platforms and related systems owned, licensed or leased by the Corporation and the Corporation Subsidiaries (collectively, "**IT Systems**") are sufficient for the conduct of each of the businesses of the Corporation and the Corporation Subsidiaries. To the knowledge of the Corporation, the IT Systems do not contain any "viruses", "worms", "time-bombs", "key-locks", or any other devices intentionally designed to disrupt or interfere with the operation of the IT Systems or equipment upon which the IT Systems operate, or the integrity of the data, information or signals the IT Systems produce, in each case, except as would not, individually or in the

aggregate, be likely to result in material disruption to or material interference with the IT Systems. In the past twelve (12) months, there have been no material failures, breakdowns, continued substandard performance or other adverse events affecting any of the IT Systems. To the knowledge of the Corporation, there has been no unauthorized access, or any intrusions or breaches, of the IT Systems in the past twelve (12) months. Each of the Corporation and the Corporation Subsidiaries is, and in the past twelve (12) months, has been, in compliance in all material respects with all Data Privacy and Security Laws applicable to it. There are no material claims, actions or proceedings against any of the Corporation or the Corporation Subsidiaries pending, that have been brought, or threatened in writing, in the past twelve (12) months, relating to or arising under Data Privacy and Security Laws. In the past twelve (12) months, none of the Corporation or the Corporation Subsidiaries has received any written notices from any Governmental Authority, relating to possible violations by the Corporation or any of the Corporation Subsidiaries of any Data Privacy and Security Laws. For purposes of this Agreement, (i) “**Data Privacy and Security Laws**” shall mean (a) all applicable Laws relating to the Processing of Personal Data or otherwise relating to privacy, data protection, data security, cyber security, breach notification or data localization, and (b) all published policies of the Corporation or the Corporation Subsidiaries relating to the Processing of Personal Data or otherwise relating to privacy, data protection, data security, cyber security, breach notification or data localization; (ii) “Process” or “Processing” shall mean the collection, use, storage, processing, recording, distribution, transfer, import, export, protection, disposal or disclosure or other activity regarding or operations performed on data or information (whether electronically or in any other form or medium); and (iii) “**Personal Data**” shall mean any information that, alone or in combination with other information held by the Corporation or the Corporation Subsidiaries, allows the identification of an individual;

- (o) *Environmental Laws.* The Corporation and the Corporation Subsidiaries (i) have been and are in compliance in all material respects with all Environmental Laws, including in connection with the operation of the business of the Corporation and the Corporation Subsidiaries; (ii) have complied in all material respects with all reporting and monitoring requirements under all Environmental Laws; and (iii) have never received any notice of any material non-compliance in respect of any Environmental Laws. There are no material orders, permits, certificates, approvals, consents, registrations and licences issued by any authority of competent jurisdiction under any Environmental Law necessary to conduct the Corporation’s and the Corporation Subsidiaries’ business;
- (p) *Conduct of Business; Possession of Licenses and Permits.* The Corporation and the Corporation Subsidiaries have conducted and are conducting their business in compliance in all material respects with all applicable Laws of each jurisdiction in which the Corporation or the Corporation Subsidiaries carry on business. The Corporation and each Corporation Subsidiary possesses such permits, certificates, licenses, approvals, consents and other authorizations issued by the appropriate Governmental Authorities necessary to conduct the business now operated, as applicable (collectively, “**Governmental Licenses**”), except where the failure to possess such permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Material Adverse Effect. The Corporation and each Corporation Subsidiary is in compliance with the

terms and conditions of all such Governmental Licenses, and is not in violation of, or in default under, applicable Laws (including Environmental Laws) of any Governmental Authorities having, asserting or claiming jurisdiction except where such non-compliance, violation or default would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Corporation, all of the Governmental Licenses are valid and in full force and effect. Neither the Corporation nor any Corporation Subsidiary has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses.

- (q) *Material Contracts.* All of the material Contracts of the Corporation and the Corporation Subsidiaries (collectively, the “**Material Contracts**”) have been disclosed in the Corporation’s Information Record and, if required under the Applicable Securities Laws to be filed on SEDAR+, have been filed on SEDAR+. Neither the Corporation nor any of the Corporation Subsidiaries has received notification from any party claiming that the Corporation is in material breach or default under any Material Contract.
- (r) *Restrictions on Dividends or Business.* Neither the Corporation nor any of the Corporation Subsidiaries is a party to or bound or affected by any Contract containing any covenant which expressly limits the freedom of the Corporation or any of the Corporation Subsidiaries to compete in any line of business, transfer or move any of its assets or operations, or which materially adversely affects the consolidated business practices, operations or condition of the Corporation.
- (s) *Absence of Changes.* Since June 30, 2023, the Corporation and each Corporation Subsidiary has carried on business in the ordinary course and, except as disclosed in the Corporation’s Information Record, there has not been:
 - (i) any material change in the consolidated assets, liabilities or obligations (absolute, accrued, contingent or otherwise), business, business prospects, condition (financial or otherwise) or results of operations of the Corporation, which has had or would reasonably be expected to have a Material Adverse Effect;
 - (ii) except as contemplated in this Agreement, any material change in the share capital or long-term debt of the Corporation;
 - (iii) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares in the capital of the Corporation or any direct or indirect redemption, purchase or other acquisition of any shares; or
 - (iv) any change in accounting or tax practices followed by the Corporation.
- (t) *Absence of Proceedings.* To the Corporation’s knowledge, there is no action, suit, proceeding, inquiry or investigation before or brought by any court or other Governmental Authority, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any Corporation Subsidiary, which has not been disclosed in the Corporation’s Information Record, and which if determined adversely would reasonably be expected to have a

Material Adverse Effect, or which, if determined adversely, would reasonably be expected to materially adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Corporation of its obligations hereunder or under any of this Agreement or the Transaction Documents.

- (u) *Outstanding Judgements.* There is no outstanding judgement, order, decree, arbitral award or decision of any court or other Governmental Authority against the Corporation or any Corporation Subsidiary.
- (v) *No Insolvency.* Neither the Corporation nor any Corporation Subsidiary has committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any Law, proposed a compromise or arrangement to its creditors generally, commenced any legal proceeding with respect to a compromise or arrangement, commenced any legal proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed of any part of its assets, had any encumbrancer or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property, or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it, and at the Time of Closing, neither the Corporation nor any Corporation Subsidiary will be an insolvent person (as that term is defined in the *Bankruptcy and Insolvency Act (Canada)*).
- (w) *Unlawful Payment.* To the knowledge of the Corporation, none of the Corporation, the Corporation Subsidiaries, or any employee or agent of them, has made any unlawful contribution or other payment to any person holding, or candidate for, any federal, state, provincial or other public office, Canadian or foreign, or failed to disclose fully any contribution, in violation of any Law, or made any payment, to any federal, state, provincial or other governmental officer or official, Canadian or foreign, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable Laws. Without limiting the generality of the foregoing, to the knowledge of the Corporation, neither the Corporation nor any Corporation Subsidiary, nor any of their respective employees or agent, has violated the *Corruption of Foreign Public Officials Act (Canada)* or similar Laws of another jurisdiction.
- (x) *Brokerage Fees.* Other than the Agent, there is no person acting or, to the knowledge of the Corporation, purporting to act at the request of the Corporation, who is entitled to any brokerage or finder's fees from the Corporation or any Corporation Subsidiary in connection with the Offering.
- (y) *Authorization of Documents, etc.* This Agreement, the Broker Warrant Certificate, and the transactions contemplated herein and therein, have been, or will at the Time of Closing be, duly authorized, executed and delivered by the Corporation and, in each case, will be a legal, valid and binding obligation of, and be enforceable against, the Corporation in accordance with its terms (subject to the Enforceability Qualifications). All corporate action required to be taken by the Corporation for the authorization, issuance, sale and delivery of the Offered Common Shares, Warrants, Warrant Shares, Broker Warrants, Broker Warrant

Shares, Underlying Broker Warrants and Underlying Broker Warrant Shares has been validly taken at the date hereof or will have been taken by the Closing Date.

- (z) *No Default of Securities Laws.* The Corporation is not in default in any respect of any requirement of Applicable Securities Laws of any jurisdiction in which the Corporation is a 'reporting issuer', which would reasonably be expected to have a Material Adverse Effect on the Offering or the Corporation.
- (aa) *Disclosure.* The information prepared or compiled by the Corporation relating to the Corporation, the Corporation Subsidiaries and their respective businesses, properties and liabilities, and included in the Corporation's Information Record, does not as of the date of such information contain a misrepresentation. The Corporation has filed all documents required to be filed by it under Canadian Applicable Securities Laws.
- (bb) *No Default.* Neither the Corporation any of the Corporation Subsidiaries is in default of any material term, covenant or condition under any Contract to which it is a party or to which it or any of its material property or assets (including any royalty or interest therein) thereof are subject, and no event has occurred and is continuing, and no circumstance currently exists which has not been waived, which constitutes a default under any such Contract entitling any other party thereto to accelerate the maturity of any amount owing thereunder.
- (cc) *Voting Agreements.* The Corporation is not party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation.
- (dd) *Shareholder Agreements.* Neither the Corporation nor, to the knowledge of the Corporation, any shareholder of the Corporation is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation.
- (ee) *Interest of Insiders; Conflicts.* Other than as disclosed in the Corporation's Information Record, to the knowledge of the Corporation:
 - (i) none of the directors, officers or employees of the Corporation or any Corporation Subsidiary, any known holder of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing persons (as such terms are defined in the *Securities Act* (Ontario)), has had any material interest, direct or indirect, in any material transaction within the previous two years or has any material interest in any proposed material transaction involving the Corporation or a Corporation Subsidiary which, as the case may be, materially affected, is material to or will materially affect the Corporation or any of the Corporation Subsidiaries;
 - (ii) no officer, director or employee of the Corporation or any Corporation Subsidiary, and no person which is a known affiliate or associate of one or more of the foregoing, owns, directly or indirectly, any interest in (except for shares representing less than 10% of the outstanding shares of any class or series of any publicly traded company), or is an officer, director, employee or consultant of, any person which is, or is engaged in, a

business that competes with the Corporation or any Corporation Subsidiary, as applicable, which in either case, materially adversely impacts, or would reasonably be expected to materially and adversely impact, on their ability to duly and properly perform their services;

- (iii) to the knowledge of the Corporation, no officer, director, employee or known security holder of the Corporation or any of the Corporation Subsidiaries has any cause of action or other claim against, or owes any amount to, the Corporation or any of the Corporation Subsidiaries, as applicable, in connection with its business, except for claims in the ordinary course of business such as for accrued vacation pay, or for other amounts or matters which would not have a Material Adverse Effect;
 - (iv) neither the Corporation nor any Corporation Subsidiary owes any monies to, has any present loans to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any person not dealing at “arm’s length” (as such term is defined in the Tax Act) with any of them, except for usual employee reimbursements and compensation paid in the ordinary course of business; and
 - (v) except as disclosed in the Corporation’s Information Record and usual employee or consulting arrangements made in the ordinary course of business, neither the Corporation nor any Corporation Subsidiary is a party to any Contract with any officer, director, employee, shareholder or any other person not dealing at arm’s length with them.
- (ff) *Executive Compensation.* The compensation arrangements of any NEOs of the Corporation are, in all material respects, as disclosed in the Corporation’s Information Record.
- (gg) *Interest in Revenues.* Except as disclosed in the Corporation’s Information Record, no officer, director, employee or any other person not dealing at arm’s length with the Corporation or any known associate or affiliate of any such persons, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from properties or assets of the Corporation or any Corporation Subsidiaries or any revenue or rights attributed thereto.
- (hh) *Employees.* All material employment agreements, consulting agreements, severance agreements and change of control agreements in respect of any NEOs of the Corporation, have been, in all material respects, disclosed in the Corporation’s Information Record. The Corporation and the Corporation Subsidiaries are in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages, and there is not currently any labour disruption or conflict involving the Corporation nor any Corporation Subsidiary. Neither the Corporation nor any Corporation Subsidiary is a party to a collective bargaining agreement. To the Corporation’s knowledge, there are no union organizing efforts being made at the Corporation or any Corporation Subsidiary.

- (ii) *Indebtedness.* Neither the Corporation nor any Corporation Subsidiary has guaranteed or otherwise given security for or agreed to guarantee or give security for any material liability, debt or obligation of any other person that is not the Corporation or a Corporation Subsidiary.
- (jj) *Insurance.* The properties and assets in which the Corporation or a Corporation Subsidiary has a direct or indirect economic interest are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the terms of any policies in respect thereof have not been breached, and the insured has not failed to promptly give any notice or present any material claim thereunder.
- (kk) *Taxes.* All material tax returns, reports, elections, remittances and payments of the Corporation and the Corporation Subsidiaries required by applicable Law to have been filed or made in any applicable jurisdiction, have been filed or made (as the case may be), and are substantially true, complete and correct, and all taxes of the Corporation and the Corporation Subsidiaries have been paid or accrued in the Financial Information (except in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect).
- (ll) *Reporting Issuer.* The Corporation is, and will at the Time of Closing be, a “reporting issuer” (or the equivalent) in the provinces of British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia, Manitoba, Ontario, Prince Edward Island and Newfoundland and Labrador, not in default of any requirement of Applicable Securities Laws. The Corporation has made timely disclosure of all material changes relating to it and no such disclosure has been made on a confidential basis and there is no material change relating to the Corporation which has occurred with respect to which the requisite material change report has not been filed.
- (mm) *No Cease Trade Orders.* No Securities Commission in any jurisdiction has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened.
- (nn) *Stock Exchange Listing.* The Corporation is in compliance in all material respects with the current listing requirements and all other applicable policies, rules and regulations of the Exchange and has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the Exchange.
- (oo) *Transfer Agent and Registrar.* Odyssey Trust Company, at its principal offices in Toronto, Ontario, has been duly appointed as the transfer agent and registrar for the Common Shares.
- (pp) *Money Laundering Laws.* The operations of the Corporation and the Corporation Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of all applicable federal, provincial and United Kingdom money laundering Laws (collectively, the “**Money Laundering Laws**”), and no action, suit or proceeding by or before any

court or other Governmental Authority involving the Corporation or any Corporation Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened.

- (qq) *Anti-Terrorism Laws.* The operations of the Corporation and the Corporation Subsidiaries have been conducted at all times in compliance with the applicable federal, provincial and United Kingdom laws relating to terrorism or money laundering (“**Anti-Terrorism Laws**”), including, without limitation, the financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada). No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or the Corporation Subsidiaries with respect to the Anti-Terrorism Laws is pending or, to the knowledge of the Corporation and the Corporation Subsidiaries, threatened.
- (rr) *No Pending Changes to Law, etc.* The Corporation is not aware of any pending change or contemplated change to any applicable Law that could reasonably be expected to materially adversely affect the business of the Corporation or the legal environment under which the Corporation or the Material Subsidiary operates.
- (ss) *Exemption.* The Corporation is eligible to rely on the Listed Issuer Financing Exemption in connection with the distribution of the Units and further represents and warrants that (i) the Corporation is not, or during the 12 months immediately before the date hereof neither the Corporation nor any person or company with whom the Corporation completed a restructuring transaction was not, a Corporation whose principal asset is cash, cash equivalents, or its exchange listing and (ii) that the funds of the Corporation invested in the Paradox Fund do not qualify as “cash equivalents” as prescribed by IAS 7 in accordance with IFRS.
- (tt) *Corporate Records.* The minute books and corporate records of the Corporation made or to be made available to the Agent’s Counsel in connection with the Agent’s due diligence investigations of the Corporation for the period from its date of incorporation to the date of examination thereof, are the original minute books and records of the Corporation or true copies thereof and contain copies of all proceedings (or certified copies thereof) of the shareholders, the board of directors and all committees of the board of directors of the Corporation and there have been no other proceedings of the shareholders, board of directors or any committee of the board of directors of the Corporation that are required to be included in such minute books and records to the date of review of such corporate records and minute books not reflected in such minute books and corporate and other records.
- (uu) *Information Provided.* All information which has been prepared by the Corporation relating to the Corporation and the Corporation Subsidiaries and their business, property and liabilities and provided to the Agent in connection with the Offering, including all financial, marketing, sales and operational information provided to the Agent is, as of the date of such information, true and correct in all material respects, and no fact or facts have been omitted therefrom, which would make such information materially misleading;

- (vv) *Insider Transactions.* To the knowledge of the Corporation, no insider of the Corporation has any present intention to sell any securities of the Corporation held by it. None of the directors or officers of the Corporation have sold any securities of the Corporation or otherwise taken steps to reduce his or her financial exposure to the price or value of any equity securities of the Corporation within the 15 days preceding the date hereof.

ARTICLE 4
ADDITIONAL COVENANTS OF THE CORPORATION

- 4.1 The Corporation hereby further covenants to and with the Agent, on its own behalf and on behalf of the Subscribers, as follows:
- (a) the Corporation will, for a period of two years following the first Closing Date, use its commercially reasonable efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of Applicable Securities Laws of British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia, Manitoba, Ontario, Prince Edward Island and Newfoundland and Labrador;
 - (b) the Corporation will, for a period of two years following the first Closing Date, use its commercially reasonable efforts (including, without limitation, making application to the applicable Securities Commissions for all consents, orders and approvals necessary) to maintain the listing of the Common Shares on the Exchange or another recognized stock exchange in North America, provided that this covenant shall not prevent the board of directors of the Corporation from complying with their fiduciary duty to the Corporation and provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Common Shares ceasing to be listed so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, and the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the rules and policies of the Exchange (or any securities exchange, market or trading or quotation facility on which the Common Shares are then listed or quoted);
 - (c) the Corporation will apply the net proceeds from the issue and sale of the Units in accordance with the disclosure set out under the heading “Use of Available Funds” in the LIFE Offering Document (subject to the discretion of the Corporation to reallocate the net proceeds of the Offering as further set out under the heading “Use of Available Funds” in the LIFE Offering Document);
 - (d) the Corporation will fulfil all legal requirements to permit the creation, issuance, offering and sale, as applicable, of the Units, Offered Common Shares, Warrants, Warrant Shares, Broker Warrants, Broker Warrant Units, Broker Warrant Shares, Underlying Broker Warrants and Underlying Broker Warrant Shares, all as contemplated in this Agreement, and file or cause to be filed all documents, applications, forms or undertakings required to be filed by the Corporation and take or cause to be taken all action required to be taken by the Corporation in connection with the Offering;

- (e) the Corporation will apply to the Exchange to list the Offered Common Shares, Warrant Shares, Broker Warrant Shares and Underlying Broker Warrant Shares;
- (f) the Corporation will make all necessary filings, use its commercially reasonable efforts to obtain all necessary regulatory consents and approvals, including approvals required by the Applicable Securities Laws and the Exchange, and will pay all filing fees required to be paid in connection with the transactions contemplated in this Agreement and the Transaction Documents;
- (g) the Corporation will not, directly or indirectly, without the prior written consent of the Agent (such consent not to be unreasonably withheld or delayed), offer to sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any Common Shares or other equity securities of the Corporation, or any securities of the Corporation convertible into or exercisable or exchangeable for Common Shares or other equity securities of the Corporation, for a period commencing on the date hereof and ending 120 days after the first Closing Date (other than pursuant to a securities based compensation arrangement of the Corporation that complies with the policies of the Exchange; the issuance of securities in respect of convertible securities outstanding as of the date hereof; the issuance of securities in respect of an asset acquisition or other strategic transaction of the Corporation; or in accordance with any other existing contractual commitments of the Corporation to issue Common Shares as of the date hereof);
- (h) prior to the Time of Closing, the Corporation will allow the Agent (and the Agent's Counsel and the Agent's consultants) to conduct all due diligence which the Agent may reasonably require. The Corporation will provide to the Agent (and the Agent's Counsel) reasonable access to the Corporation's senior management personnel and corporate, financial and other records, for the purposes of conducting such due diligence;
- (i) the Corporation will ensure that the Units, Offered Common Shares, Warrants and Warrant Shares have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Transaction Documents; and
- (j) use its commercially reasonable efforts to cause the directors, senior officers or insiders of the Corporation who hold securities of the Corporation to enter into agreements ("**Lock-Up Agreements**") in the form of Schedule "A" hereto.

ARTICLE 5 CONDITIONS TO CLOSING

5.1 The following are conditions of the Agent and the Subscribers' obligations to close the Offering, which conditions the Corporation covenants to exercise its commercially reasonable efforts to have fulfilled at or prior to the Time of Closing, which conditions may be waived in writing in whole or in part by the Agent on its own behalf and on behalf of the Subscribers:

- (a) the Corporation's board of directors will have authorized and approved: (i) this Agreement, the Transaction Documents and the form of Investor Questionnaire; (ii) the issuance of the Offered Common Shares, Warrants and Broker Warrants

- and (iii) the reservation for issuance of the Warrant Shares, the Broker Warrant Shares, Underlying Broker Warrants and Underlying Broker Warrant Shares, and (iv) all matters relating to the foregoing;
- (b) the Corporation will have made and/or obtained the necessary filings, approvals, consents and acceptances of the appropriate regulatory authorities in the Canadian Offering Jurisdictions and the Exchange Approval, on terms which are acceptable to the Corporation and the Agent;
 - (c) the Offered Common Shares, Warrant Shares, Broker Warrant Shares, and Underlying Broker Warrant Shares will have been conditionally accepted for listing on the Exchange (subject only to the customary conditions of the Exchange);
 - (d) the representations and warranties of the Corporation contained in this Agreement and the Transaction Documents are true and correct in all material respects (or, if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties will be true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement, and the Corporation will have complied in all material respects with all the covenants and satisfied all the terms and conditions of this Agreement to be complied with and satisfied by the Corporation at or prior to the Time of Closing;
 - (e) the Corporation will have caused a legal opinion to be delivered by its counsel addressed to the Agent and the Subscribers with respect to such matters as the Agent may reasonably request relating to this transaction, acceptable in all reasonable respects to the Agent's Counsel, including substantially to the effect that:
 - (i) each of the Corporation and FRNT Asset Management Inc. is validly existing under the laws of its jurisdiction of incorporation or formation, as applicable, and has the corporate power and capacity to carry on business and to own, lease and operate properties and assets;
 - (ii) the Corporation has the corporate capacity and power to execute and deliver this Agreement and the Transaction Documents and to perform its obligations hereunder and thereunder;
 - (iii) this Agreement and the Transaction Documents have been duly authorized, executed and delivered by the Corporation and are legally binding upon the Corporation and enforceable in accordance with their respective terms (subject to such qualifications as are customary in such circumstances);
 - (iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the Transaction Documents, and the performance of its obligations hereunder and thereunder;

- (v) the Offered Common Shares, Warrants and the Broker Warrants have been duly authorized and validly created and issued (in respect of the Offered Common Shares, as fully paid and non-assessable) and the Warrant Shares, Broker Warrant Shares, Underlying Broker Warrants and Underlying Broker Warrant Shares duly authorized and validly reserved for issuance;
- (vi) the execution and delivery by the Corporation of this Agreement and the Transaction Documents, the performance by the Corporation of its obligations hereunder and thereunder, and the issue, sale and delivery of the Offered Common Shares, Warrants and the Broker Warrants, do not constitute a default under any applicable Laws of Ontario or any term of the Corporation's articles or by-laws or, the knowledge of counsel, any Material Contract or credit agreement of the Corporation;
- (vii) the offering, sale, issuance and delivery, as applicable, by the Corporation of the Units, Offered Common Shares and Warrants to the Subscribers, and the Broker Warrants to the Agent, are exempt from the prospectus requirements of the Applicable Securities Laws of the Canadian Offering Jurisdictions and other than the LIFE Offering Document and Prescribed News Release, no documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations obtained under the Applicable Securities Laws of the relevant Canadian Offering Jurisdictions to permit such offering, sale, issuance and delivery, other than the filing of customary exempt offering reports, fees or undertakings required to be filed under such Laws;
- (viii) the issuance and delivery by the Corporation of the Warrant Shares, Broker Warrant Shares and Underlying Broker Warrant Shares upon due exercise of the applicable convertible securities will be exempt from the prospectus requirements of the Applicable Securities Laws of the Canadian Offering Jurisdictions;
- (ix) no document is required to be filed in the Canadian Offering Jurisdictions and, except as have been obtained or completed, no proceeding is required to be taken, and no approval, permit, consent, authorization or filing by the Corporation is required under Canadian Applicable Securities Laws in the Canadian Offering Jurisdictions in connection with the first trade of the Offered Common Shares, Warrants or Warrant Shares;
- (x) as to the first trade restrictions relating to the Broker Warrants, including the underlying Broker Warrant Shares, Underlying Broker Warrants and Underlying Broker Warrant Shares, under Applicable Securities Laws; and
- (xi) such other matters as may be requested by the Agent, acting reasonably.

In giving such opinions, the Corporation's Counsel will be entitled to arrange for and rely, to the extent appropriate in the circumstances, upon local counsel, it being understood that certain of the opinions which are not matters of the laws of a jurisdiction in which the Corporation's Counsel has an office may be opined upon directly by local counsel, and that the Corporation's Counsel will not be required to

also give such opinions, and will be entitled as to matters of fact not within their knowledge to rely upon a certificate of fact from public officials and/or responsible persons in a position to have knowledge of such facts and their accuracy, and such opinion will be subject to customary qualifications, assumptions, exceptions and reliances. The Corporation agrees, and the aforesaid legal opinion will expressly provide, that the Agent may deliver copies of the opinion to each of the addressees thereof;

- (f) the Agent will have received a certificate dated the Closing Date signed by the Chief Executive Officer of the Corporation or another officer of the Corporation acceptable to the Agent, in form and substance reasonably acceptable to Agent with respect to:
 - (i) the constating documents of the Corporation; and
 - (ii) the resolutions of the directors of the Corporation relevant to the Offering and the authorization of this Agreement and the Transaction Documents;
- (g) the Agent will have received certificates of status and/or compliance (or the equivalent) where issuable under applicable Law (and if available using commercially reasonable efforts), for the Corporation and FRNT Asset Management Inc. dated within two Business Days of the Closing Date, or such other reasonable period as may be dictated by local requirements;
- (h) the Corporation will have delivered to the Agent a certificate dated the Closing Date and signed by the Chief Executive Officer or another officer of the Corporation acceptable to the Agent, certifying for and on behalf of the Corporation, and not in his personal capacity, with respect to the following matters:
 - (i) the representations and warranties of the Corporation contained in this Agreement are true and correct in all material respects (or, if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties were true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement;
 - (ii) the Corporation having complied in all material respects with all the covenants and satisfied all the terms and conditions of this Agreement to be complied with and satisfied by the Corporation at or prior to the Time of Closing;
 - (iii) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Common Shares or any of the Corporation's issued securities having been issued or, to the knowledge of such officers, threatened; and

- (iv) there having not occurred a Material Adverse Effect, or any change or development that would reasonably be expected to result in a Material Adverse Effect;
- (i) the Agent shall have received a certificate of the transfer agent as to the issued capital of the Corporation;
- (j) the Agent shall have received reporting issuer lists confirming that the Corporation is not included on a list of default reporting issuers maintained by the Securities Commissions in the provinces of British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia, Manitoba, Ontario, Prince Edward Island, Newfoundland and Labrador;
- (k) at the Time of Closing, the Corporation will not be the subject of a cease trading order made by any Securities Commission which has not been rescinded;
- (l) prior to the Time of Closing, the Agent, Agent's Counsel and the Agent will have been provided with timely access to all information reasonably required to permit them to conduct a due diligence investigation of the Corporation and its consolidated business operations, properties, assets, affairs, prospects and financial condition, including access to management of the Corporation, the chair of the Corporation's audit committee and the Corporation's counsel in connection with one or more due diligence sessions to be held prior to the Time of Closing;
- (m) the Agent shall have received the Lock-Up Agreements; and
- (n) the Agent not having exercised any rights of termination set out in Article 8.

ARTICLE 6 CLOSING

6.1 The Closing will be held electronically at the Time of Closing or such other place, date or time as may be mutually agreed to, subject to satisfaction or waiver of the conditions to Closing set out in Article 5.

6.2 At the Time of Closing, the Corporation will deliver to the Agent:

- (a) certificates representing the Offered Common Shares and Warrants underlying the Units being sold under the Offering (or, if so requested by the Agent, electronic deposit of the Offered Common Shares and Warrants through CDS in the manner so requested) and the Broker Warrant Certificate evidencing the issuance of the Broker Warrants, duly registered as the Agent may direct; and
- (b) the opinions, certificates and documents as contemplated in Section 5.1,

against payment of the purchase price for all such Units by wire transfer or by certified cheque or bank draft and delivery of duly completed Investor Questionnaires (including applicable schedules thereto, properly completed and executed) and all other documentation required to be provided by or on behalf of the Subscribers or the Agent pursuant to this Agreement or as may be required by Applicable Securities Laws or the rules or policies of the Exchange.

- 6.3 The Corporation will, at the Time of Closing, and upon such payment of the purchase price for the Units, pay the Agency Fee and issue the Broker Warrants to the Agent. At the Time of Closing, the Corporation will reimburse the Agent for all of its reasonable estimated expenses in accordance with Article 11.

ARTICLE 7 COMPENSATION OF THE AGENT

- 7.1 In consideration for the Agent's services, including acting as the Corporation's agent in arranging for the sale of the Units and performing administrative work in connection with the sales of the Units, the Corporation will pay to the Agent, at the Time of Closing, a cash commission (the "**Agency Fee**") equal to (A) 3.0% of the gross proceeds of the Offering raised from Subscribers on the President's List (the "**President's List Subscribers**"), plus (B) 6.0% of the gross proceeds of the Offering raised from Subscribers other than the President's List Subscribers.
- 7.2 As additional compensation for the services described in Section 7.1, the Corporation will grant to the Agent such number of non-transferable broker warrants (the "**Broker Warrants**") as is equal to the sum of (i) 6.0% of the number of Units sold to Subscribers, other than in respect of Units sold to Subscribers on the President's List, and (ii) 3.0% of the number of Units sold to Subscribers on the President's List. Each Broker Warrant shall entitle the Agent to purchase one Unit (a "**Broker Warrant Unit**") at an exercise price of \$0.60 per Broker Warrant Unit for a period of 36 months following the Closing Date in accordance with the terms of the Broker Warrant Certificates. Each Broker Warrant Unit consists of one Broker Warrant Share and one-half of one Underlying Broker Warrant, with each whole Underlying Broker Warrant entitling the holder thereof to purchase one Underlying Broker Warrant Share at a price of \$0.90 per Underlying Broker Warrant Share for a period of 36 months after the Closing Date.

ARTICLE 8 TERMINATION RIGHTS

- 8.1 It is understood that the Agent may waive, in whole or in part, or extend the time for compliance with, any of the terms and conditions of this Agreement without prejudice to its rights in respect of any other of such terms and conditions or any other subsequent breach or non-compliance; provided, however, that to be binding on the Agent any such waiver or extension must be in writing and signed by the Agent. No act of the Agent in offering the Units will constitute a waiver or estoppel against the Agent.
- 8.2 Without limiting any of the foregoing provisions of this Agreement, the Agent (on its own behalf and on behalf of the Subscribers) will be entitled, at its option, to terminate and cancel, without any liability, its obligations under this Agreement and those of the Subscribers, by giving written notice to the Corporation at any time through to the Time of Closing if:
- (a) any order, action or proceeding which cease trades, suspends or otherwise operates to prevent, prohibit or restrict the distribution or trading of the Common Shares or any other securities of the Corporation is made or proceedings are announced, commenced or threatened for the making of any such order, action or proceeding by a securities regulatory authority and the same has not been rescinded, revoked or withdrawn;

- (b) there should occur any material change, change of a material fact, or occurrence, event, fact or circumstance, or any development or a new material fact shall arise, which has or would be expected to have, in the sole opinion of the Agent, acting reasonably and in good faith, a Material Adverse Effect on the business, operations, affairs or financial condition of the Corporation, taken as a whole, or on the market price, value or marketability of the securities of the Corporation;
 - (c) any inquiry, action, suit, investigation or other proceeding, whether formal or informal (including matters of regulatory transgression or unlawful conduct), is commenced, announced or threatened or any order made by any Governmental Authority, including, without limitation, the Exchange or any securities regulatory authority or any Law is enacted or changed, which would cease trading in the Corporation's securities or, in the opinion of the Agent, acting reasonably and in good faith, operates to prevent or restrict materially the trading or distribution of the securities of the Corporation or materially adversely affects or will materially adversely affect the market price, value or marketability of the securities of the Corporation;
 - (d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including any natural catastrophe), or any outbreak or escalation of national or international hostilities, or any crisis or calamity or act of terrorism or similar event, or any governmental action, change of applicable Law (or the interpretation or administration thereof), inquiry or other occurrence of any nature whatsoever, which, in each case, in the opinion of such Agent, imminently seriously adversely affects, or will imminently seriously adversely affect, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation;
 - (e) the Agent shall become aware, as a result of its due diligence review or otherwise, of any adverse material change with respect to the Corporation (in the sole opinion of the Agent, acting reasonably), which had not been publicly disclosed or disclosed to the Agent prior to the date hereof and which would have a Material Adverse Effect on the market price or value of the Common Shares (and for greater certainty, whether it arose before or after the date of this Agreement);
 - (f) the Corporation is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect, and cannot be cured; or
 - (g) if the Agent, acting reasonably, otherwise determines that the state of the financial markets, whether national or international, is such that the Units cannot be profitably marketed.
- 8.3 The Agent will give prompt notice to the Corporation (in writing or by other means) of the occurrence of any of the events referred to in Section 8.2, provided that failure to give such notice promptly will not affect the Agent's entitlement to exercise this right at any time through to the Time of Closing.
- 8.4 The Agent's rights of termination contained in this section are in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-

compliance by the Corporation in respect of any of the matters contemplated by this Agreement.

- 8.5 If the obligations of the Agent and the Subscribers are terminated under this Agreement pursuant to the termination rights provided for in Section 8.2, the Corporation's liabilities to the Agent will be limited to the Corporation's obligations under the indemnity, contribution and expense provisions of Article 9, Article 10 and Article 11, respectively, of this Agreement.

ARTICLE 9 INDEMNITY

- 9.1 The Corporation covenants and agrees to protect, indemnify, and save harmless the Agent and each of its directors, officers, employees, agent, shareholders and affiliates and each person, if any, who controls the Agent (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**"), against all losses (other than loss of profits), claims, damages, suits, liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), costs, or expenses (collectively, a "**Claim**") caused or incurred, whether directly or indirectly, by reason of:
- (a) the Agent having acted as Agent of the Corporation in respect of the Offering;
 - (b) any statement (other than a statement relating solely to, and provided in writing by, the Agent) contained in this Agreement, the Transaction Documents or the Corporation's Information Record which, at the time and in the light of the circumstances under which it was made, contains or is alleged to contain a misrepresentation;
 - (c) the omission or alleged omission to state in any certificate of the Corporation delivered hereunder or pursuant hereto or in this Agreement, the Transaction Documents or the Corporation's Information Record any material fact (other than a material fact omitted in reliance upon statements relating solely to, and provided in writing by, the Agent) required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;
 - (d) any order made or inquiry, investigation or proceeding commenced or threatened by any Securities Commission or other competent Governmental Authority based upon any misrepresentation or alleged misrepresentation in the Corporation's Information Record (other than a material fact omitted in reliance upon statements relating solely to, and provided in writing by, the Agent) which prevents or restricts the trading in the Units or the distribution of the Units, in any of the Canadian Offering Jurisdictions;
 - (e) the material non-compliance by the Corporation with any requirement of any Applicable Securities Laws (including any exempt offering filing) in connection with the Offering; or

- (f) any material breach of any representation or warranty of the Corporation contained herein or the failure of the Corporation to comply with any of its obligations hereunder.
- 9.2 The Corporation agrees that in case any legal proceeding is brought against the Corporation and the Agent by any Governmental Authority, or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and the Agent, and any personnel of the Agent are required to testify in connection therewith or to respond to procedures designed to discover information regarding, in connection with, or by reason of, the performance of professional services rendered to the Corporation by the Agent, the Agent will have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by its personnel in connection therewith) and out-of-pocket expenses reasonably incurred by its personnel in connection therewith will be paid by the Corporation as they occur unless: (i) a court of competent jurisdiction in a final judgement that has become non-appealable shall determine that such legal proceeding was caused by the gross negligence, bad faith, fraud, or wilful misconduct of the Indemnified Party in the course of such performance or in breach of this Agreement or applicable Laws; or (ii) the expenses, losses, damages or liabilities as to which indemnification is claimed were directly caused by the gross negligence, dishonesty or fraud referred to in (i).
- 9.3 Promptly after receipt of notice of the commencement of any legal proceeding against any of the Indemnified Parties or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation under this Agreement, the Agent will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission to so notify the Corporation will not relieve the Corporation of any liability which the Corporation may have to the Indemnified Parties except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such proceeding or investigation or results in any material increase in the liability which the Corporation would otherwise have under this indemnity had the Agent not so delayed in giving or failed to give the notice required hereunder.
- 9.4 The Corporation will be entitled, at its own expense, to participate in any proceeding or investigation for which indemnification may be sought from the Corporation hereunder and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Corporation notifying the Agent in writing of its election to assume the defence and retaining counsel, the Corporation will not be liable to the Agent for any legal expenses subsequently incurred by the Agent in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Agent, will keep the Agent advised of the progress thereof and will discuss with the Agent all significant actions proposed.
- 9.5 Notwithstanding the foregoing paragraph, the Agent will have the right, at the Corporation's expense, to employ one counsel of the Agent's choice, in respect of the defence of any proceeding or investigation if: (i) the employment of such counsel has been

authorized by the Corporation; or (ii) the Corporation has not assumed the defence and employed counsel therefor within 10 days after receiving notice of such proceeding or investigation; or (iii) counsel retained by the Corporation or the Agent has advised that representation of both parties by the same counsel would be inappropriate because there may be legal defences available to the Corporation which are inconsistent with those available to the Indemnified Parties or that there is a conflict of interest between the Corporation and the Agent or the subject matter of the proceeding or investigation may not fall within the indemnity set forth herein (in either of which events the Corporation will not have the right to assume or direct the defence on the Agent's behalf).

- 9.6 No admission of liability and no settlement of any proceeding or investigation will be made by the Corporation without the written consent of the Agent or other Indemnified Parties affected (such consent not to be unreasonably withheld or delayed), unless the settlement includes an unconditional release of the Agent or other Indemnified Parties affected. No admission of liability will be made by the Agent or any Indemnified Party, and the Corporation will not be liable for any settlement of any proceeding or investigation made without the Corporation's written consent.
- 9.7 The indemnity and contribution obligations of the Corporation will be in addition to any liability which the Corporation may otherwise have, will extend upon the same terms and conditions to all Indemnified Parties and will be binding upon and enure to the benefit of any of the respective successors, heirs and personal representatives of the Corporation and the Indemnified Parties. The foregoing provisions will survive the completion of professional services rendered under this Agreement and the termination of this Agreement.
- 9.8 To the extent that any Indemnified Party is not a party to this Agreement, the Agent will obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.

ARTICLE 10 CONTRIBUTION

- 10.1 If for any reason the indemnity provided for in Article 9 is unavailable or insufficient to hold the Indemnified Party harmless, then the Corporation and the Agent shall contribute to the amount paid or payable by the Indemnified Party as a result of such Claim, in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Agent on the other hand but also the relative fault of the Corporation and the Agent, as well as any relevant equitable considerations; provided that, in no event, will the Agent be responsible for any amount in excess of the portion of the Agency Fee actually received by the Agent. In the event that the Corporation may be held to be entitled to contribution from the Agent under the provisions of any statute or law, the Corporation will be limited to contribution from the Agent in an amount not exceeding the lesser of: (a) the portion of the full amount of losses, claims, costs, damages, expenses or liabilities giving rise to such contribution for which the Agent is responsible; and (b) the amount of the Agency Fee actually received by the Agent. Notwithstanding the foregoing, a person guilty of gross negligence, dishonesty or fraud will not be entitled to contribution from any other party. Any party entitled to contribution will, promptly after receiving notice of any Claim or proceeding therefor against such party in respect of which a claim for contribution may be made against another party or parties under this section, notify such party or parties from whom contribution may be sought, but

the omission to so notify such party will not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this section, except to the extent that the party from whom contribution may be sought is prejudiced by such omission. The right to contribution provided herein will be in addition and not in derogation of any other right to contribution which the Agent may have by statute or otherwise by law.

ARTICLE 11 EXPENSES

- 11.1 Whether or not the Offering is completed, the Corporation responsible for all expenses related to the Offering, including but not limited to (i) fees of legal counsel to the Agent (to a maximum of \$95,000, exclusive of taxes and disbursements and reasonable fees and related taxes and disbursements of local counsel (if any)) (the “**Legal Costs**”) and (ii) reasonable expenses incurred by the Agent related to marketing road shows (including travel expenses, hotel accommodations and meals), printing costs and such other expenses incurred by the Agent as are necessary and reasonable in connection with the Offering (the “**Other Costs**”, and together with the Legal Costs, the “**Expenses**”), provided however, that the Agent shall not incur, other than the Legal Costs, any such single expense in excess of \$1,500 or aggregate Other Cost expenses in excess of \$5,000 without the prior written approval of the Corporation. The Corporation shall be responsible for all taxes as may be applicable on the Expenses. The Corporation covenants and agrees to fully reimburse the Agent from time to time for such reasonable expenses as soon as practical following the receipt by the Corporation of one or more invoices.

ARTICLE 12 SURVIVAL OF WARRANTIES AND REPRESENTATIONS

- 12.1 All warranties and representations of the Agent herein contained will survive the purchase by the Subscribers of the Units and will continue in full force and effect for the benefit of the Corporation until the Survival Limitation Date. All warranties and representations of the Corporation herein contained will survive the purchase by the Subscribers of the Units and will continue in full force and effect for the benefit of the Agent and the Subscribers until the Survival Limitation Date.

ARTICLE 13 ADVERTISEMENTS AND PRESS RELEASES

- 13.1 The Corporation will provide to the Agent, in advance, any press release concerning the Offering and the Corporation will give due consideration to any changes reasonably and timely requested by the Agent. The Corporation will also ensure that any press release concerning the Offering complies with Applicable Securities Law. At the request of the Agent, and to the extent permitted by Law, the Corporation will ensure the Agent is disclosed as the sole agent and bookrunner for the Offering in any press release relating to the Offering.
- 13.2 At the completion of the Offering, and to the extent permitted by Law, the Agent may, at its sole expense and upon consultation with the Corporation, place advertisements or announcements in any newspapers, periodicals or other publications, or otherwise disclose to third parties, that the Agent acted as agent in connection with the Offering.
- 13.3 No press release will be issued in the United States by the Corporation concerning the Offering during the Offering, and any press release issued by the Corporation concerning

the Offering will include substantially the following legends and will comply with Rule 135e under the U.S. Securities Act:

“Not for distribution to United States news wire services or dissemination in the United States;” and

“The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any U.S. state securities laws, and may not be offered or sold in the “United States” or to “U.S. persons” (as such terms are defined in Regulation S under the U.S. Securities Act) absent registration under the U.S. Securities Act and any applicable U.S. state securities laws or compliance with an applicable exemption from such registration requirements. This press release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.”

ARTICLE 14 CONFLICT OF INTEREST

- 14.1 The Corporation: (i) acknowledges and agrees that the Agent has certain statutory obligations as a registrant under the Applicable Securities Laws and has fiduciary relationships with its clients; and (ii) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent’s statutory obligations as a registrant under the Applicable Securities Laws or fiduciary relationships with its clients conflict with its obligations hereunder, the Agent will be entitled to fulfil its statutory obligations as a registrant under the Applicable Securities Laws and its fiduciary duties to its clients. Nothing in this Agreement will be interpreted to prevent the Agent from fulfilling its statutory obligations as a registrant under the Applicable Securities Laws or to satisfy its fiduciary duties to its clients.

ARTICLE 15 ALTERNATIVE TRANSACTION

- 15.1 In the event the Offering is not completed for any reason within the scope of the Corporation’s control and the Corporation completes an Alternative Transaction prior to the date that is 180 days following the date of this Agreement, the Corporation agrees to pay and issue to the Agent, at or prior to completion of any such Alternative Transaction, in addition to any expenses required to be reimbursed (per Section 11.1 hereof), the full amount of compensation which would have been payable and issuable under Article 7 had the Offering been completed. For greater certainty, where the Agent terminates the Offering in accordance with this Agreement, the Corporation shall not be obligated to pay any expenses, Agency Fee or issue any Broker Warrants to the Agent.

ARTICLE 16 GENERAL CONTRACT PROVISIONS

- 16.1 Except as expressly provided for in this Agreement, the covenants and agreements of the Corporation contained herein and in the Investor Questionnaires which by their nature are required to be completed after the Time of Closing will survive the purchase by the

Subscribers of the Units and will continue in full force and effect, regardless of the closing of the sale of the Units and regardless of any investigation which may be carried on by the Agent, or on their behalf. Without limitation of the foregoing, the provisions contained in this Agreement in any way related to the indemnification or the contribution obligations will survive and continue in full force and effect, indefinitely, subject only to the limitation requirements of applicable law.

16.2 Any notice or other communication to be given hereunder will be in writing and will be given by delivery or by email transmission, as follows:

(a) to the Corporation at:

FRNT Financial Inc.
49 Wellington Street East
Toronto, ON
M5E 1C9

Attention: Stéphane Ouellette, Chief Executive Officer
Email: [Redacted]

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

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, ON M5H 0B4 Canada

Attention: Stefan Politano, Partner
Email: [Redacted]

(b) to the Agent:

Fort Capital Securities Ltd.

1010–501 Burrard Street
Vancouver, B.C.
V6C 3A8

Attention: Jonathan Hess
Email: [Redacted]

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

5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9 Canada

Attention: Michael Burkett
Email: [Redacted]

and if so given, any such notice, direction or other instrument, if delivered personally, will be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument will be deemed to have been given and received on the first Business Day next following such day, and if transmitted by email, will be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted after the end of normal business hours then the notice, direction or other instrument will be deemed to have been given and received on the first Business Day next following the day of such transmission. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address.

- 16.3 This Agreement and the other documents herein referred to constitute the entire agreement between the Agent and the Corporation relating to the subject matter hereof and (except as otherwise provided below) supersedes all prior agreements between the Agent and the Corporation with respect to their respective rights and obligations in respect of the Offering, including the engagement letter between the Agent and the Corporation dated April 5, 2024, in its entirety.
- 16.4 Time will be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.
- 16.5 The parties hereto covenant and agree to sign such other documents, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every provision of it.
- 16.6 No party to this Agreement may assign this Agreement, any part hereof or its rights hereunder without the prior written consent of the other parties. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 16.7 In the event that any provision or part of this Agreement will be deemed void or invalid by a court of competent jurisdiction, the remaining provisions or parts shall be and remain in full force and effect. If, in any judicial proceeding, any provision of this Agreement is found to be so broad as to be unenforceable, it is hereby agreed that such provision shall be interpreted to be only so broad as to be enforceable.
- 16.8 The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. **Les parties reconnaissent avoir expressément demandé que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.**
- 16.9 This Agreement may be executed by the parties in of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. The transmission by pdf of a copy of the execution page hereof reflecting the execution of this Agreement by any party hereto shall be effective to evidence that party's intention to be bound by this Agreement and that party's agreement to the terms,

provisions and conditions hereof, all without the necessity of having to produce an original copy of such execution page.

[Execution Page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

FRNT FINANCIAL INC.

Per: (Signed) "Stéphane Ouellette"
Name: Stéphane Ouellette
Title: Chief Executive Officer

Fort Capital Securities Ltd.

Per: (Signed) "Jonathan Hess"
Name: Jonathan Hess
Title: Registered Representative

SCHEDULE A
FORM OF LOCK-UP AGREEMENT

_____, 2024

To: Fort Capital Securities Ltd. (the “**Agent**”)

Re: FRNT Financial Inc. – Lock-up Agreement

The undersigned understands that this lock-up agreement (the “**Lock-Up Agreement**”) is being delivered to you in connection with the Agency Agreement dated May 21, 2024 (the “**Agency Agreement**”) entered into by FRNT Financial Inc. (the “**Corporation**”) and the Agent, with respect to the offering (the “**Offering**”) of units of the Corporation. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Agency Agreement. The undersigned is the registered or beneficial owner of certain common shares in the capital of the Corporation (the “**Common Shares**”) and/or securities convertible into or exchangeable or exercisable for Common Shares as set forth herein (collectively with the Common Shares, the “**Locked Up Securities**”).

In consideration of the benefit that the Offering will confer upon the undersigned as a director and/or officer of the Corporation, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees for a period of 120 days following the applicable Closing Date not (and shall cause its affiliates not) to, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Locked Up Securities, whether currently owned or hereafter acquired, directly or indirectly, or under its control or direction, or with respect to which it has beneficial ownership, without the prior written consent of the Agent, which consent shall not be unreasonably withheld or delayed.

The foregoing paragraph shall not apply to: (A) any transfer of Common Shares pursuant to a bona fide third party take-over bid, merger, amalgamation, plan of arrangement, business combination or similar transaction involving a change of control of the Corporation, provided that in the event that the take-over bid, merger, amalgamation, plan of arrangement, business combination or similar transaction is not completed, the Locked Up Securities owned by the undersigned shall remain subject to the restrictions contained in this Lock-Up Agreement; (B)(i) to an affiliate for the purposes of tax or other planning; (ii) to a tax trust, 401K, RRSP or TFSA; or (iii) pursuant to a court order or similar decree, provided that any such transferee pursuant to (B)(i) or (ii) above shall first enter into a written agreement whereby such transferee agrees to be bound by the terms of this Lock-Up Agreement; or (C) any exercise of a stock option or other convertible security outstanding as of the date hereof.

The undersigned hereby represents and warrants that it has full power and authority to enter into this Lock-Up Agreement, and that, upon the reasonable request of the Corporation or the Agent, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof. All authority herein conferred or agreed to be conferred shall survive the death, dissolution or incapacity of the undersigned.

In addition, the undersigned hereby waives any and all pre-emptive rights, participation rights, resale rights, rights of first refusal and similar rights that the undersigned may have in connection with the Offering or with any issuance or sale by the Corporation of any equity or other securities in connection with the Offering.

The undersigned understands that the Corporation and the Agent are relying upon this Lock-Up Agreement in proceeding toward the consummation of the Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's legal representatives, successors, and assigns, and shall enure to the benefit of the Corporation, the Agent and its legal representatives, successors and assigns. The obligations of the undersigned pursuant to this Lock-Up Agreement may be waived in writing in whole or in part by the Agent in its sole discretion. This Lock-Up Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

Yours very truly,

Witness

Name

Number and type of Locked Up
Securities subject to this Lock-Up
Agreement