

AGENCY AGREEMENT

(Capital Pool Company)

MEMORANDUM OF AGREEMENT dated the 16th day of April, 2018.

AMONG:

RED RIVER CAPITAL CORP., a corporation incorporated under the laws of Alberta, with an office in the City of Calgary, in the Province of Alberta (the "**Corporation**")

- and -

CANACCORD GENUITY CORP., a corporation with an office in the City of Calgary, in the Province of Alberta (the "**Agent**")

WHEREAS:

A. The Corporation wishes to raise funds for the purposes described in the Prospectus (as defined herein) by offering for sale the Offered Shares (as defined herein) at the Share Price (as defined herein) (the "**Offering**");

B. The Corporation has agreed to file the Prospectus in accordance with the Securities Legislation (as defined herein) in order to qualify the distribution of the Offered Shares, the Agent's Warrants (as defined herein) and the Directors' and Officers' Options (as defined herein) in the Offering Jurisdictions (as defined herein); and

C. The Corporation wishes to retain the Agent, and the Agent is willing to act as agent of the Corporation to solicit subscriptions for the Offered Shares on a commercially reasonable efforts agency basis, subject to the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that for and in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. DEFINITIONS

1.1 For the purposes of this agreement and any amendments hereto the following words and phrases shall have the following meanings:

- (a) "**Agent's Counsel**" means Dentons Canada LLP or such other counsel as the Agent, with the consent of the Corporation, may appoint;
- (b) "**Agent's Warrants**" means the warrants to be granted to the Agent and its designated sub-agents, if any, pursuant to Section 2.6 hereof;
- (c) "**Agent's Shares**" means the Common Shares issuable to the Agent upon exercise of the Agent's Warrants;

- (d) "**Agreement**" means this agreement, the recitals, the schedules attached hereto and any amendments;
- (e) "**Business Day**" means a day other than a Saturday, Sunday or other than a day when banks in the City of Calgary are not generally open for business;
- (f) "**Closing**" means the completion of the transactions contemplated by this Agreement on the Closing Date, provided that no Closing may occur until the Total Subscription has been achieved, as herein provided;
- (g) "**Closing Date**" means the date upon which Closing occurs, which date shall be agreed to between the Corporation and the Agent and shall not be more than 90 days from the date of the issuance of a receipt for the Prospectus by the Commissions (the "**Termination Date**"), or such other date as the parties hereto may agree and Securities Legislation may allow;
- (h) "**Commissions**" means the Alberta Securities Commission, British Columbia Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Manitoba Securities Commission and the Government of Yukon Department of Community Services – Superintendent of Securities;
- (i) "**Common Share**" or "**Common Shares**" means a common share or the common shares in the capital of the Corporation;
- (j) "**Corporate Finance Fee**" has the meaning ascribed thereto in Section 2.3;
- (k) "**Corporation's Counsel**" means Borden Ladner Gervais LLP;
- (l) "**CPC Policy**" means Policy 2.4 of the Exchange's Corporate Finance Manual and shall include all orders, policies, rules, instruments, regulations, by-laws and procedures of the Exchange having the force of law which govern offerings by capital pool companies, as amended from time to time;
- (m) "**Directors' and Officers' Options**" means the options to be granted to directors and officers of the Corporation immediately following Closing entitling the holders thereof to purchase an aggregate of 550,000 Common Shares at a price of \$0.10 per Common Share for a period of 5 years from the date of grant;
- (n) "**Exchange**" means the TSX Venture Exchange Inc.;
- (o) "**Misrepresentation**" has the meaning ascribed thereto by the Securities Legislation;
- (p) "**Offering**" has the meaning ascribed thereto in the Recitals;
- (q) "**Offering Jurisdictions**" means the Provinces Alberta, British Columbia, Saskatchewan and Manitoba and the Yukon territory;

- (r) "**Offered Shares**" means the 3,000,000 Common Shares offered at the Share Price pursuant to the Prospectus;
- (s) "**Preliminary Prospectus**" means the preliminary prospectus of the Corporation dated February 23, 2018 and any amendments thereto approved, signed and certified in accordance with the Securities Legislation, qualifying the distribution of the Offered Shares, Agent's Warrant and Directors' and Officers' Options and filed with the Commissions;
- (t) "**Prospectus**" means the (final) prospectus of the Corporation and any amendments thereto, approved, signed and certified in accordance with the Securities Legislation, qualifying the distribution of the Offered Shares, Agent's Warrant and Directors' and Officers' Options and filed with the Commissions;
- (u) "**Qualifying Transaction**" has the meaning ascribed thereto in Section 6.1(e) hereof;
- (v) "**Securities Legislation**" means the *Securities Act* (Alberta), the *Securities Act* (British Columbia), the *Securities Act* (Saskatchewan), the *Securities Act* (Manitoba) and the *Securities Act* (Yukon) the respective rules and regulations thereto, and the policy statements, rules, notices and blanket orders of the Commissions having the force of law, the national instruments, the multilateral instruments, the national policy statements and uniform act policies applied by the Commissions having the force of law, and the policies and by-laws of the Exchange having the force of law, as amended from time to time;
- (w) "**Share Price**" means \$0.10 per Offered Share;
- (x) "**Subscriber**" or "**Subscribers**" means a person or those persons who subscribe for the Offered Shares through the Agent or through such other registrants retained by the Agent as sub-agents to sell subscriptions in conjunction with the Agent;
- (y) "**Subscription Funds**" means all funds received with respect to all Successful Subscriptions in accordance with the terms and provisions of this Agreement;
- (z) "**Successful Subscription**" means a subscription for Offered Shares by a Subscriber which subscription has been accepted by the Corporation and the Agent;
- (aa) "**Time of Closing**" means 10:00 a.m. (Calgary time) on the Closing Date, or such other time on the Closing Date as the Corporation and the Agent may agree;
- (bb) "**Total Subscription**" means Successful Subscriptions for all of the Offered Shares; and
- (cc) "**Transfer Agent**" means TSX Trust Company, at its office located in 10th Floor, 300 5th Avenue S.W., Calgary, AB.

1.2 For the purposes of this Agreement, all references to "Dollars" or "\$" shall mean Canadian funds, unless otherwise specified.

1.3 The headings of the Sections of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything herein contained or govern the rights or liabilities of the parties hereto.

1.4 Words importing the singular number only shall include the plural and vice versa and words of gender shall entail all genders and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

2. APPOINTMENT AND REMUNERATION OF AGENT

2.1 Subject to the terms and conditions hereof, the Corporation hereby appoints the Agent as the sole and exclusive agent of the Corporation and the Agent hereby agrees to act as the sole and exclusive agent of the Corporation to assist in soliciting subscriptions for the Offered Shares in the Offering Jurisdictions pursuant to the Securities Legislation.

2.2 The Agent agrees to use its commercially reasonable efforts to sell the Offered Shares, but the Corporation understands and agrees that the Agent is acting as agent only and is under no obligation to purchase any of the Offered Shares. The Agent may retain other registrants to act as sub-agents to solicit subscriptions for the Offered Shares at no additional cost to the Corporation and any compensation paid or payable to such sub-agents shall be solely for the account of the Agent. The Agent shall be under no liability for any failure to sell any or all of the Offered Shares or to engage sub-agents.

2.3 The Corporation will pay in consideration for the services to be performed by the Agent hereunder, a corporate finance fee of \$12,500 (the "**Corporate Finance Fee**"), and the Agent's reasonable and documented legal fees and other out of pocket expenses. The Agent hereby acknowledges that the Corporation has previously paid to the Agent \$6,250 in respect of the non-refundable portion of the Corporate Finance Fee and \$7,500 as a retainer against the Agent's reasonable and documented legal fees and other out of pocket expenses (the "**Retainer**").

2.4 If the Total Subscription is not achieved, or the Agent elects not to be agent of the Offering as a result of a breach of any of the conditions set out in Section 12.1, the Agent shall retain the Retainer as payment for services rendered and shall apply the Retainer against the Agent's reasonable expenses and the fees, charges and reasonable expenses of the Agent's Counsel (plus applicable goods and services tax). If the Agent's expenses and the fees, charges and expenses of the Agent's Counsel are less than the Retainer, any remaining amounts shall be returned to the Corporation by the Agent's Counsel, without interest or further deduction. If the Agent's reasonable expenses and the fees, charges and expenses of the Agent's Counsel (plus applicable goods and services tax) exceed the Retainer, the Corporation shall within 5 business days pay such excess upon invoice by the Agent or the Agent's Counsel, as the case may be.

2.5 If the Total Subscription is achieved:

- (a) the Agent or Agent's Counsel shall apply the Retainer against the reasonable expenses of the Agent and the reasonable fees, charges and expenses of Agent's

Counsel (plus applicable goods and services tax), and the Corporation shall pay the reasonable expenses of the Agent and the reasonable fees, charges and expenses of Agent's Counsel (plus applicable goods and services tax) in excess of the Retainer at the Time of Closing by the Agent deducting such amount from the Subscription Funds; and

- (b) the Corporation shall further pay to the Agent, in consideration for the services to be performed by it hereunder, a commission in the amount of ten (10%) percent of the Subscription Funds. The commission shall be paid at the Time of Closing by the Agent deducting such amount from the Subscription Funds.

2.6 Provided that the Total Subscription is achieved, the Corporation will grant to the Agent and its designated sub-agents, if any, at the Time of Closing irrevocable, non-transferable warrants entitling the Agent to purchase that number of Common Shares as is equal to ten (10%) percent of the number of Offered Shares sold under the Offering at the Share Price (the "**Agent's Warrant**") on the terms and conditions contained in the form of warrant certificate annexed hereto as Schedule "A" (the "**Agent's Warrant Certificate**"). The Agent's Warrants shall be qualified under and be distributed pursuant to the Prospectus.

3. SUBSCRIPTIONS

3.1 The Corporation will:

- (a) at such time as Successful Subscriptions for the Total Subscription have been received; or
- (b) at 5:00 p.m. on the day that is 90 days from the date of the issuance of the receipt for the Prospectus by the Commissions, or such other date as the parties hereto may agree and Securities Legislation may allow;

whichever shall first occur, close the subscription books and thereafter shall not receive any further subscriptions for the Offered Shares.

3.2 Subscribers may subscribe for Offered Shares by delivering to the Agent, or any sub-agent retained pursuant to Section 2.2 hereof, on or prior to the Closing Date:

- (a) payment for the aggregate subscription price in a manner acceptable to the Agent; and
- (b) such documents, certificates and forms as, in the opinion of the Agent, may be required.

4. THE SUBSCRIPTION FUNDS

4.1 The Agent will hold until delivered to the Corporation, the Subscription Funds in trust for the Subscribers pursuant to the terms of this Agreement, and Subscription Funds shall be dealt with by the Agent as provided in Sections 4 and 5 hereof.

5. RELEASE OF SUBSCRIPTION FUNDS

5.1 The Agent shall not at any time deliver any Subscription Funds received by it to the Corporation until the Total Subscription has been achieved and it has received at Closing each of the following:

- (a) a certificate signed by the President of the Corporation or such other officer or director of the Corporation as the Agent may accept, to the effect that the Successful Subscriptions for the Total Subscription have been accepted by the Corporation; and
- (b) a written request from the Corporation requesting the delivery of Subscription Funds to the Corporation or as directed by the Corporation.

5.2 Upon receiving the documentation referred to in Section 5.1 hereof, subject to Section 5.4 hereof, the Agent shall forthwith deliver to the Corporation or as directed in Section 5.1(b) hereof, all Subscription Funds resulting from Successful Subscriptions held by it pursuant to this Agreement, less the amounts to be deducted pursuant to Section 2.4 hereof.

5.3 If the Total Subscription is not received or if the Agent has not received the documentation referred to in Section 5.1 hereof at or prior to the Time of Closing, the Agent shall promptly thereafter return to each Subscriber by ordinary mail without interest or deduction the Subscription Funds held for the Subscriber by the Agent, unless such Subscriber has otherwise instructed the Agent.

5.4 If the funds of any Subscriber delivered to the Agent are for any reason rejected (in whole or in part) by the Corporation and the Agent, such rejected funds shall be returned to such Subscriber without interest or deduction in the manner provided in Section 5.3 hereof.

6. OBLIGATIONS OF THE AGENT

6.1 The Agent shall:

- (a) use its commercially reasonable efforts to obtain subscriptions for all of the Offered Shares, and without limiting the generality of the foregoing:
 - (i) at least 1,000,000 of the Common Shares (or such lesser number as is acceptable to the Exchange) outstanding on the Closing Date, including the Offered Shares, will be in the Public Float (as "**Public Float**" is defined in the Exchange's Corporate Finance Manual Policy 1.1);
 - (ii) no more than 20% of the outstanding Common Shares (or such greater amount as is acceptable to the Exchange) on the Closing Date, including the Offered Shares, will be owned directly or indirectly by members of the Pro Group (as "**Pro Group**" is defined in the Exchange's Corporate Finance Manual Policy 1.1), excluding the Agent's Warrant and any other Common Shares reserved for issuance at a further date; and

- (iii) to obtain subscriptions for the Offered Shares from at least 200 Subscribers (or such lesser number as is acceptable to the Exchange), each of such Subscribers:
 - (1) purchasing at least 1,000 Offered Shares free of Resale Restrictions (as "**Resale Restrictions**" is defined in the Exchange's Corporate Finance Manual Policy 1.1);
 - (2) individually purchasing, directly or indirectly, no more than 2% of the Offered Shares, and, in conjunction with such Subscriber's Associates and Affiliates (as "**Associates**" and "**Affiliates**" are defined in the Exchange's Corporate Finance Manual Policy 1.1), purchasing no more than 4% of the Offered Shares; and
 - (3) not being a Non Arm's Length Party to the Corporation (as "**Non Arm's Length Party**" is defined in the Exchange's Corporate Finance Manual Policy 1.1);
- (b) only solicit subscriptions for the Offered Shares from subscribers resident in the Offering Jurisdictions in compliance with Securities Legislation and the terms and conditions set out herein;
- (c) close the subscription books and thereafter not receive any further subscriptions for the Offered Shares at the earlier of such time:
 - (i) as orders for the Total Subscription have been received; or
 - (ii) as prescribed by Securities Legislation;
- (d) provide all such notices and documents as may be required by Securities Legislation in connection with the sale of the Offered Shares pursuant to the Prospectus, including without limiting the generality of the foregoing, to deliver to the Exchange (or, at the option of the Agent, to the Corporation for delivery to the Exchange) as soon as reasonably possible prior to the Closing, a Distribution Summary Statement (Exchange Form 2E) or such other document as may be required by the Exchange, if any; and
- (e) notwithstanding the foregoing, it is understood and agreed by the Corporation that the Agent is under no obligation pursuant to this Agreement to act as Sponsor or to provide a Sponsor Report for a Qualifying Transaction of the Corporation (as "**Sponsor**" and "**Qualifying Transaction**" are defined in the Exchange's Corporate Finance Manual Policy 1.1 and the CPC Policy, respectively).

6.2 The obligation of the Agent to execute any certificate or deliver any documents pertaining to the Preliminary Prospectus and the Prospectus shall be conditional upon compliance by the Corporation to the date of such execution and delivery with each of its covenants contained in this Agreement to be complied with prior to the filing of either the Preliminary Prospectus or the Prospectus, as the case may be.

7. REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation hereby represents and warrants to the Agent and acknowledges that the Agent is relying thereon, that:

7.1 The Corporation has been duly incorporated and organized and validly exists in good standing under the laws of its jurisdiction of incorporation and has all the requisite corporate power and capacity to carry on its business as now conducted and as proposed to be conducted as described in the Prospectus.

7.2 The Corporation does not own or have any interest in any asset or property of any kind whatsoever, other than cash or deposits with financial institutions, and, without limiting the generality of the foregoing, the Corporation does not have an Agreement in Principle (as "**Agreement in Principle**" is defined in the CPC Policy).

7.3 The Corporation has undertaken no business since the date of its incorporation, except as permitted by the CPC Policy and has not negotiated or entered into a transaction of a nature material to the Corporation other than as disclosed in the Prospectus.

7.4 The authorized capital of the Corporation consists of the share capital as disclosed in the Prospectus, and such number of Common Shares are issued and outstanding as is disclosed in the Prospectus and all of the issued and outstanding Common Shares have been duly issued and are fully paid and non-assessable. No person, firm or corporation has any agreement, option, or right or privilege, whether pre-emptive or contractual, capable of becoming an agreement, including convertible securities, for the purchase, subscription or issuance of any unissued Common Shares or other securities of the Corporation except as disclosed in this Agreement and in the Prospectus.

7.5 The financial statements of the Corporation contained in the Prospectus, including the notes thereto, fairly present the financial position and condition of the Corporation, as at the date thereof, reflect all liabilities (absolute, accrued, contingent or otherwise) of the Corporation as at the date thereof, and have been prepared in accordance with generally accepted accounting principles applied on a consistent basis, and there has not been any material change in such position from the date of such financial statements.

7.6 The information and statements contained in the Preliminary Prospectus and the Prospectus (except any such information and statements relating solely to the Agent) constitute full, true and plain disclosure of all material facts relating to the Corporation and the Preliminary Prospectus and the Prospectus comply in all material respects with the Securities Legislation, including without limitation the CPC Policy.

7.7 The Preliminary Prospectus and the Prospectus do not contain a Misrepresentation (except a Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus and Prospectus).

7.8 Except as disclosed in the Prospectus, there is no action, proceeding or investigation (whether or not purportedly on behalf of the Corporation) which, to the knowledge of the Corporation and its directors or officers, is pending or threatened against or affecting the

Corporation, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation the Commissions, the Exchange, or any other securities commission, stock exchange or similar regulatory authority, which in any way materially adversely affects the Corporation or the condition (financial or otherwise) of the Corporation or which questions the validity of the issuance, as fully paid and non-assessable, of the Offered Shares or any action taken or to be taken by the Corporation pursuant to or in connection with this Agreement.

7.9 The Corporation has full corporate capacity, power and authority to execute and deliver the Prospectus and all requisite action has been taken by the Corporation to authorize the execution and delivery by it of the Prospectus.

7.10 The Corporation has full corporate capacity, power and authority to execute this Agreement, the escrow agreement referred to in the Prospectus (the "**Escrow Agreement**") and the Agent's Warrant Certificate and to perform its obligations set out herein and therein, including, without limitation, to issue the Offered Shares and the Agent's Shares (upon due exercise of the Agent's Warrant), and to carry out the transactions contemplated hereby and by the Prospectus, and this Agreement, the Escrow Agreement and the Agent's Warrant Certificate will be, on the Closing Date, duly authorized, executed and delivered by the Corporation and this Agreement and the Escrow Agreement are and the Agent's Warrant Certificate will on the Closing Date be, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally, and except as limited by the application of equitable principals when equitable remedies are sought and by the fact that rights to waiver, indemnity and contribution, and the ability to sever unenforceable terms, may be limited by applicable law.

7.11 The Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement, the Escrow Agreement and the Agent's Warrant Certificate by the Corporation or any of the transactions contemplated hereby or thereby, do not and will not result in any breach of, or constitute a default under, or do not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any term or provision of the articles, by-laws or resolutions of the shareholders or directors of the Corporation, or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound, or to its knowledge any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation or its properties or assets, or would impair the ability of the Corporation to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in this Agreement, the Escrow Agreement and the Agent's Warrant Certificate.

7.12 There is no person, firm or corporation acting or purporting to act for the Corporation entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder, except as provided herein and as referred to in the Prospectus.

7.13 To the knowledge of management of the Corporation and except for the Escrow Agreement, neither the Corporation nor any of its shareholders is a party to any voting trust, securities pooling agreement or similar type of arrangement or agreement in force in respect of any of the securities of the Corporation.

7.14 To the knowledge of management of the Corporation, none of the directors or senior officers of the Corporation, any holder of more than 10% percent of its outstanding Common Shares, any Promoters of the Corporation, or any Associates or Affiliates of any of the foregoing persons or companies (as "**Promoters**", "**Associates**" or "**Affiliates**" are defined in the Securities Legislation):

- (a) has had any material interest, direct or indirect, in any material transaction within the three years prior to the date of the Preliminary Prospectus; or
- (b) has any material interest, direct or indirect, in any material transaction;

which, as the case may be, materially affects, is material to or will materially affect the Corporation, except as stated in the Prospectus, in which are fully set forth all relevant particulars required by the Securities Legislation.

7.15 Upon issuance of the Offered Shares pursuant to the terms of this Agreement, the Offered Shares shall have been duly allotted and will be outstanding as fully paid and non-assessable Common Shares.

7.16 The copy of the minute books of the Corporation, as provided to the Agent on February 15, 2018 and any updates provided thereafter, are true, complete and correct in all material respects and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof.

7.17 The Transfer Agent, at its principal office in the City of Calgary, has been duly appointed transfer agent and registrar for the Common Shares of the Corporation.

7.18 The Corporation has not, directly or indirectly, declared or paid any dividends or declared or made any other distribution on any of its Common Shares or any other shares of any class since incorporation, and, subject to the rules, policies and regulations of the Exchange, and the restrictions on the declaration and payment of dividends by the Corporation as disclosed in the Prospectus, there is not, in the constating documents or by-laws of the Corporation or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of its Common Shares.

7.19 The Corporation requires the signature of two (2) authorized persons on any cheques issued by the Corporation.

7.20 Application has been made to list the outstanding Common Shares of the Corporation, including without limitation the Offered Shares and the Common Shares issuable upon exercise of the Agent's Warrant and the Directors' and Officers' Options on the Exchange, and conditional approval of such application has been obtained from the Exchange.

7.21 The Corporation has advised the Corporation's directors and officers of the requirements and restrictions on the use of the net proceeds of the Offering as set out in Section 8 of the CPC Policy.

7.22 The Corporation has not made and will not make any payments which are prohibited by the CPC Policy, except as may be expressly permitted by the Exchange.

7.23 Other than as may be required, and as have or will be obtained prior to the Closing Date, under the Securities Legislation and/or the CPC Policy, requisite filings with the Commissions (and the issuance by the Commissions of receipts for the Prospectus) and the Exchange and final approval/acceptance of the Offering from the Exchange, no approval, authorization, consent or other order of any governmental authority is required in connection with the execution, delivery or performance by the Corporation of this Agreement, the Escrow Agreement or the Agent's Warrant Certificate.

7.24 The Corporation has complied with and will comply in all material respects with the requirements of all applicable corporate and securities laws, including, without limitation, the Securities Legislation and the *Business Corporations Act* (Alberta) in relation to the issue and trading of its securities and in all matters relating to the Offering.

7.25 Except as disclosed in the Preliminary Prospectus and the Prospectus, no order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of such securities has been issued against the Corporation or, to the best of the Corporation's knowledge after due inquiry, against any of its directors, officers and promoters; and, to the Corporation's knowledge, no proceedings for this purpose have been instituted or are pending, contemplated or threatened.

7.26 All statements, facts, data, information and materials provided from time to time by the Corporation in writing to the Agent relating to the Corporation and the directors and officers of the Corporation are true and correct in all material respects and all material facts relating to the subject matter have been fully disclosed to the Agent and such statements, facts, data, information and materials did not and do not contain a Misrepresentation.

7.27 No securities commissions or other governmental authority has issued any order preventing or suspending the use of the Preliminary Prospectus or the Prospectus.

7.28 The Corporation has advised the directors and officers of the Corporation about:

- (a) the nature and scope of their responsibilities and duties as directors and officers, respectively, of a public corporation listed on the Exchange, including, without limitation, the matters set out in Policy 3.1 of the Exchange's Corporate Finance Manual; and
- (b) the obligations of the Corporation to prepare, file, publish and disseminate, as applicable, such information and documentation as may be required by the Securities Legislation, including, without limitation, as required by Policies 3.2 and 3.3 of the Exchange's Corporate Finance Manual.

7.29 The directors and senior officers of the Corporation have or will have been provided with a copy of the Preliminary Prospectus and the Prospectus for their review, and the directors have or will have duly approved the Preliminary Prospectus and the Prospectus and the financial statements included in the Prospectus at the respective times they are filed with the Commissions and the Exchange and will have authorized the distribution of the Prospectus by the Agent in connection with the Offering.

8. COVENANTS OF THE CORPORATION AND CONDITIONS OF CLOSING

The Corporation covenants and agrees with the Agent and undertakes that:

8.1 Prior to the Closing Date, the Corporation shall allow the Agent to conduct all due diligence which the Agent may reasonably require to confirm that the Preliminary Prospectus and Prospectus comply with the requirements of the Securities Legislation and do not contain a Misrepresentation, and to fulfil the Agent's obligations as agent.

8.2 Now and at all times subsequent hereto during the distribution of the Offered Shares to the public or such longer period of time, if any, while the Prospectus continues to be current, the Prospectus and any amendments thereto does and will fully comply with the requirements of the Securities Legislation. The Prospectus together with any amendments thereto does and will during such period provide full, true and plain disclosure of all material facts relating to the Corporation, the Offered Shares and the distribution of the Offered Shares to the public, and does not and will not during such period contain a Misrepresentation; provided that the foregoing covenants of the Corporation do not and shall not apply with respect to any information and/or statements contained in the Prospectus relating solely to the Agent.

8.3 The Corporation shall promptly inform the Agent in writing during the period of the distribution of the Offered Shares to the public of the full particulars of any material change (actual, anticipated or threatened):

- (a) in any material fact contained or referred to in the Preliminary Prospectus or Prospectus, or any amendment thereto, which is, or may be, of such a nature as to make any such fact untrue, false or misleading at the time and in light of the circumstances under which it was made;
- (b) in any statements, facts, data, personal information form or materials provided to the Agent with respect to the directors and officers of the Corporation; or
- (c) in any of the representations and warranties contained in Section 7 of this Agreement.

The Corporation shall file under the Securities Legislation, as soon as reasonably possible, and in any event within any statutory limitation period therefor, such new or correcting information, amendments and other documents as the Securities Legislation may require. The Corporation shall further provide the Agent with such copies of such information, amendments or other documents as the Agent may reasonably require. The terms "material change" and "material fact" shall have the meanings ascribed thereto by the Securities Legislation.

8.4 The Corporation shall in good faith discuss with the Agent any change in circumstances which is of a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to Section 8.3 hereof.

8.5 During the period of distribution to the public of the Offered Shares, the Corporation will advise the Agent promptly of any request of the Commissions or Exchange for an amendment to the Prospectus or for any additional information, of the issuance by the Commissions, Exchange or any other securities commission, stock exchange or similar regulatory authority, of any cease trade order, halt order or similar order relating to the Common Shares or Offered Shares or the use of the Prospectus, or of the institution or threat of institution of any proceedings for that purpose or of the receipt by the Corporation of any communication from the Commissions, Exchange or any other securities commission, stock exchange or similar regulatory authority relating to the Prospectus or the offering of the Offered Shares. Except with respect to the halt instituted by the Exchange to facilitate Closing, the Corporation will use its commercially reasonable efforts during the period of distribution to the public of the Offered Shares to prevent the issuance of any such cease trade order or halt order and, if issued during such period, to obtain the withdrawal thereof as soon as possible.

8.6 The Corporation will deliver, from time to time without charge, to the Agent as many copies of the Prospectus (and in the event of an amendment thereto, of such amended prospectus) as the Agent may reasonably request for the purposes contemplated hereunder and by the Securities Legislation and such delivery shall constitute the consent of the Corporation to the use thereof in connection with offering the Offered Shares to the public, subject to the provisions of the Securities Legislation relating thereto.

8.7 On or before the Closing Date, the Corporation shall take or cause to be taken all commercially reasonable steps and proceedings (including but not limited to the filing of the Prospectus and the obtaining of a receipt for the Prospectus from the Commissions under the Securities Legislation), necessary in order to qualify for distribution the Offered Shares for sale to Subscribers resident in the Offering Jurisdictions through the Agent and its sub-agents, if any, retained pursuant to Section 2.2 hereof, and to qualify for distribution the Agent's Warrant and the Directors' and Officers' Options.

8.8 The Corporation shall deliver to the Agent at the Closing, a legal opinion addressed to the Agent, from the Corporation's Counsel, substantially in the form attached hereto as Schedule "B".

In connection with such opinion, Corporation's Counsel may rely on the opinions of local counsel acceptable to Agent's Counsel, acting reasonably, as to the qualification for distribution of the Offered Shares or opinions may be given directly by local counsel of the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province in which Corporation's Counsel is qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others.

8.9 The Corporation shall deliver to the Agent at the Closing a certificate signed by the President of the Corporation, or such other director or officer of the Corporation as the Agent may accept, dated as of the Closing Date addressed to the Agent to the effect that:

- (a) the representations and warranties of the Corporation contained in this Agreement are true and correct as at the Closing Date with the same force and effect as if made at and as at the Closing Date after giving effect to the transactions contemplated hereby;
- (b) the Corporation has duly complied with all covenants and satisfied all the conditions herein on its part to be performed or satisfied;
- (c) no order suspending the sale or ceasing the trading of the Common Shares or any other securities of the Corporation has been issued and no proceedings for that purpose have been instituted or are pending or are, to the knowledge of such officer, contemplated or threatened by the Commissions, Exchange, or any other securities commission, stock exchange and similar regulatory authority; and
- (d) such officer has carefully examined the Prospectus, and since the respective dates as of which information is given in the Prospectus, except as set forth in and contemplated thereby, the Corporation has not incurred any material liabilities or obligations (absolute, accrued, contingent or otherwise), or entered into any transaction or agreement not in compliance with the CPC Policy; there has been no material change in the assets, financial position, business or results of operations of the Corporation; and, to the best of the knowledge and information of such officer and/or director, and except with respect to any information and statements relating solely to the Agent contained in the Prospectus, there has occurred no event and no state of fact exists that, under Securities Legislation, is required to be set forth in an amended prospectus that has not been so set forth.

8.10 The Corporation shall deliver to the Agent at the Closing the documentation provided for in Section 5.1 and such other documents and certificates that the Agent may reasonably require.

8.11 Prior to Closing, the Corporation shall take all necessary steps to complete and file with the Exchange its application for listing with all other documentation required by the Exchange to allow for the listing and posting for trading of the Common Shares on the Exchange. Provided however, in the event that the Agent is required to provide and/or deliver any documentation in connection with such application for listing or take steps in connection therewith, the Corporation shall not be in breach of this Section 8.11 to the extent that the listing is delayed or not completed by the Closing Date due to the Agent's failure to provide and/or deliver such documentation or take such steps.

8.12 At the Time of Closing, the Offered Shares shall have been made "eligible" by CDS Clearing and Depository Services Inc. ("**CDS**") and counsel to the Corporation shall have provided written confirmation from CDS of such eligibility to Agent's counsel.

8.13 The Closing shall occur at the Time of Closing on the Closing Date at the offices of the Corporation's counsel, or such other location as may be agreed to between the Corporation and the Agent.

8.14 Subject to any exemptions from the CPC Policy granted or permitted by the Exchange, until the Corporation completes a Qualifying Transaction, the Corporation will comply in all

material respects with all applicable provisions of the CPC Policy. The Corporation will use its commercially reasonable best efforts to maintain its status as a reporting issuer not in default of any Securities Legislation in the Offering Jurisdictions for a period of 24 months following the date that its Common Shares are listed and posted for trading on the Exchange and will use its commercially reasonable best efforts to maintain its listing on the Exchange (or such other exchange on which the Common Shares may be listed) during such 24 months and to use its commercially reasonable efforts to complete a Qualifying Transaction within 24 months of the date that its Common Shares are listed and posted for trading on the Exchange.

8.15 During the period commencing on the date hereof and ending on the Closing Date (unless otherwise specified), the Corporation will promptly provide to the Agent and the Agent's Counsel, for review, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any press release (including any press release issued after the Closing Date related to this Agreement and the Offering) or material change report and the Corporation will use its commercially reasonable efforts to agree with the Agent, acting reasonably, as to the form and substance of such document and an appropriate legend regarding US distribution shall be included on any press release as follows: "Not for distribution to United States newswire services or for dissemination in the United States" and "These securities have not been and will not be registered under the United States *Securities Act* of 1933, as amended, or the securities laws of any state, and may not be offered or sold in the United States unless an exemption from registration is available. This press release does not constitute an offer to sell or the solicitation of any offer to buy these securities in the United States".

8.16 It is understood that the Agent may waive, in whole or in part, non-compliance with any of the conditions or other matters contained herein or extend the time for compliance therewith without prejudice to its rights in respect of any other condition or conditions or any other subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if it is in writing.

9. EXPENSES

9.1 All reasonable costs and expenses of or incidental to the transactions contemplated herein and the issue and sale of the Offered Shares hereunder, whether or not the offering of the Offered Shares is completed, are to be assumed and paid by the Corporation, including without limiting the generality of the foregoing, the engraving or lithographing of the definitive certificates representing the Offered Shares, the fees and expenses payable to the Exchange and the Commissions, the fees and disbursements of qualifying the offering of the Offered Shares for sale to the public under the Securities Legislation, the preparation and printing of the Prospectus, and the fees, charges and expenses of the counsel and auditors of the Corporation. Such expenses, costs and disbursements of the Agent shall be payable on the Corporation receiving an invoice for such expenses, costs and disbursements from the Agent.

10. INDEMNIFICATION OF AGENT

10.1 The Corporation hereby covenants and agrees to protect and indemnify the Agent, its affiliates and selling group members and their affiliates, and their respective directors, officers, employees, partners agents, advisors and shareholders (collectively the "**Indemnified Persons**"),

from and against all actual or threatened claims, actions, suits, investigations and proceedings (collectively the "**Proceedings**") and all losses, claims, damages, liabilities, costs or expenses (except loss of profits), including the aggregate amount paid in reasonable settlement of any Proceeding and the fees, disbursements and taxes of their counsel in connection with any Proceeding (collectively "**Liabilities**") caused or incurred by reason of or resulting directly or indirectly from:

- (a) any Misrepresentation or alleged Misrepresentation contained in the Preliminary Prospectus or in the Prospectus, or in any supplemental, additional or ancillary material (including an amended prospectus), information, evidence, return, report, application, statement, table or document that may be filed by or on behalf of the Corporation under the Securities Legislation, or in any written or oral representation made by the Corporation to a Subscriber, except any Misrepresentation or alleged Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus, the Prospectus and/or in any supplemental, additional or ancillary material (including an amended prospectus), information, evidence, return, report, application, statement, table or document that may be filed by or on behalf of the Corporation under the Securities Legislation;
- (b) any order, inquiry or investigation related to the offering of the Offered Shares arising out of any statement contained in the Preliminary Prospectus or Prospectus (except in respect of any statement relating solely to the Agent), or in any written or oral representation made by the Corporation to a Subscriber (except with respect to any written or oral representation made by the Agent to a Subscriber), and brought by the Commissions, the Exchange or any other securities commission, stock exchange or similar regulatory authority, except such orders, inquiries and investigations relating solely to the Indemnified Persons or any one of them;
- (c) any breach of the representations, warranties and covenants of the Corporation contained herein;
- (d) any prohibition or restriction of trading in the Offered Shares or the Agent's Shares (upon due exercise of the Agent's Warrants), or any prohibition affecting the distribution of the Offered Shares or the Agent's Shares (upon due exercise of the Agent's Warrants) which may be ordered by any one or more competent authorities if such prohibition or restriction of trading is based on any Misrepresentation in the Preliminary Prospectus or Prospectus, or in any written or oral representations made by the Corporation to a Subscriber, except any Misrepresentation (i) which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Preliminary Prospectus and/or the Prospectus;
- (e) any Subscriber effectively rescinding its subscription for the Offered Shares pursuant to a right of rescission under which a Subscriber may rescind a contract on the grounds that the Prospectus contains a Misrepresentation, or in the event a determination is made by any competent authority setting aside the sale of the

Offered Shares, except any Misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Prospectus or any determination that arises out of any act or omission of the Agent; and

- (f) the Prospectus failing to comply with the requirements of the Securities Legislation so as to permit the lawful sale of the Offered Shares or by reason of the Corporation having failed to take or cause to be taken such steps or proceedings as were necessary to permit the lawful sale of the Offered Shares as contemplated by the Prospectus and this Agreement.

10.2 Notwithstanding the foregoing, the indemnity provided for in this Section 10 shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) the Liabilities to which the Indemnified Persons or any one of them may be subject were directly or indirectly caused by an Indemnified Person's material breach of this Agreement or any applicable laws or by the gross negligence, fraud, wilful misconduct or bad faith of the Indemnified Persons or any one of them; or
- (b) the Liabilities, as to which indemnification is claimed, were directly or indirectly caused by the actions referred to in Section 10.2(a).

10.3 If any matter or thing contemplated by this Section 10 shall be asserted against any Indemnified Persons, the Agent shall notify the Corporation as soon as possible of the nature of such claim 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 Corporation shall undertake the investigation and the defence of any suit or proceeding brought to enforce such claim; provided however, that the defence shall be through legal counsel reasonably acceptable to the Indemnified Person and that no admission of liability and no settlement of any Proceeding may be made by the Corporation or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. If the Corporation assumes the defence of any such suit, each of the Indemnified Persons shall continue to have the right to employ their own counsel, who shall be acceptable to the Corporation, in any proceeding relating to the claim contemplated by this Section 10 and the reasonable and documented fees and expenses of a reasonable number of such counsel shall be recoverable by the Indemnified Persons from the Corporation to the extent that the same shall be covered by the indemnity in this Section 10 if:

- (a) the Indemnified Persons have been advised by counsel retained by the Corporation or the Indemnified Persons that there may be legal defences available to them which are different from or additional to defences available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on their behalf);
- (b) the Corporation has not assumed the defence of the Proceeding within fifteen (15) days after receiving notice of the Proceeding;

- (c) the named parties to any such Proceeding include the Corporation, and any of the Indemnified Persons, and the Indemnified Persons have been advised by their counsel that there may be a conflict of interest between the Corporation and the Indemnified Persons; or
- (d) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceeding.

Notwithstanding any other provision of this Agreement, in no circumstance shall the Corporation be responsible for the fees and expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Persons in connection with any one Proceeding or separate but substantially similar or related Proceedings arising out of the same general allegations or circumstances.

10.4 No admission of liability and no settlement, compromise or termination of any Proceeding shall be made without the consent of the Corporation and the Indemnified Persons affected, such consents not to be unreasonably withheld.

10.5 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is (in whole or in part), for any reason held by a court of competent jurisdiction to be unavailable from the Corporation on policy grounds or otherwise, each of the Corporation and the Indemnified Persons shall contribute to the aggregate Liabilities (or Proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand and by the Indemnified Persons on the other hand from the Offering contemplated herein; or
- (b) if the allocation provided by subsection 10.5(a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in subsection 10.5(a) above, but also to reflect the relative fault of the Indemnified Persons, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing which resulted in such Liabilities, as well as any other relevant equitable considerations.

The relative benefits received by the Corporation, on the one hand, and the Indemnified Persons, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering contemplated herein received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Agent. In the case of liability arising out of the Prospectus (including any amendments thereto), the relative fault of the Corporation, on the one hand, and of the Indemnified Persons, on the other hand, shall be determined by reference, among other things, to whether the statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 10.1 which resulted in such Liabilities relates to

information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of, the Corporation or the Indemnified Persons, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission, Misrepresentation or alleged Misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 10.1.

The amount paid or payable to an Indemnified Person as a result of any Proceedings or Liabilities shall, without limitation, include any reasonable and documented legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such Proceedings or Liabilities, whether or not resulting in any formal action, suit, proceeding or claim.

The Corporation agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding paragraphs. Any liability of the Indemnified Persons under this Section 10.4 shall be limited to the amount of the fees payable to the Agent pursuant to this Agreement.

10.6 The rights to indemnity and right of contribution provided in the foregoing Sections shall be in addition to and not in derogation of any other right to contribution which the Indemnified Persons may have by any statute or otherwise at law or in equity. The Corporation waives all rights of contribution that it may have against any Indemnified Persons relating to any Liability or Proceeding in respect of which the Corporation has agreed to indemnify the Indemnified Persons hereunder.

10.7 It is the intention of the Corporation to constitute the Agent as trustee for the Indemnified Persons for the purposes of Section 10.1 to 10.6, inclusive, and the Agent shall be entitled, as trustee to enforce such covenants on behalf of any other Indemnified Persons.

10.8 If any Proceeding is brought in connection with the transactions contemplated by this Agreement and the Agent is required to testify in connection therewith or is required to respond to procedures designed to discover information relating thereto, it will have the right to employ its own counsel in connection therewith (provided the Agent acts reasonably in selecting such counsel and provided such counsel is acceptable to the Corporation), and the reasonable and documented fees and disbursements of such counsel in connection therewith and any other reasonable costs and out-of-pocket expenses incurred by them in connection therewith as well as its reasonable and documented fees at the normal per diem rate for the Agent's directors, officers, employees and agents involved in preparation for and attendance at such Proceedings or in so responding will be paid by the Corporation as they are incurred, provided that the Corporation shall not be liable to pay any such fees, costs or expenses if the Proceedings are brought solely in relation to activities or alleged activities of the Agent or its sub-agents retained pursuant to Section 2.2 hereof.

10.9 The obligations under the indemnity and right of contribution provided for herein shall apply whether or not the transactions contemplated by this Agreement are completed and shall survive the completion of the transactions contemplated under this Agreement and the termination of this Agreement to the extent permitted by law.

11. RIGHT OF FIRST REFUSAL

11.1 The Corporation will notify the Agent (the "**Financing Notice**") of the terms of any further brokered equity financing (or securities convertible into equity) to be issued and sold in Canada by private placement or public offering (a "**Financing**") that it requires or proposes to obtain during the term commencing on the date of this Agreement and until that day which is 6 months from the date of closing of the Corporation's Qualifying Transaction (the "**ROFR Termination Date**") and the Agent will have the right of first refusal to act as agent for any Financing. The Agent's right of first refusal will also pertain to any financing that is proposed to be completed concurrently or in connection with the Corporation's Qualifying Transaction as provided herein notwithstanding that such financing is completed by an offering of securities in a target issuer involved in the Qualifying Transaction. For greater certainty, the Corporation shall use commercially reasonable efforts to ensure that any Target Company (as "**Target Company**" is defined in the CPC Policy) that will conduct a brokered equity financing in connection with the Qualifying Transaction agrees to grant the Agent a right of first refusal to provide such financing on the terms contained herein.

11.2 The right of first refusal must be exercised by the Agent within ten (10) Business Days following the receipt of the Financing Notice by notifying the Corporation that it will provide such Financing on the terms set out in the Financing Notice.

11.3 In addition to the foregoing as outlined in Section 11.1 hereof the Agent will have the right of first refusal to provide any professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer required by the Corporation at any time prior to the ROFR Termination Date.

11.4 The Agent acknowledges and agrees that if the Corporation issues any securities to which the foregoing right of first refusal would apply, but does not retain or utilize a registered dealer as agent therefore, the right of first refusal shall not apply to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of Offered Shares.

11.5 In addition to the Financing Notice, in the event the financing is being completed in connection with the Corporation's Qualifying Transaction the Corporation will provide the Agent with:

- (a) copies of the most recent audited financial statements and unaudited financial statements of the Corporation and appropriate financial information for any Significant Assets (as "**Significant Assets**" is defined in the CPC Policy) the Corporation proposes to purchase in the Qualifying Transaction (the "**Target**"), prepared as of a date satisfactory to the Agent;
- (b) a copy of the Target's business plan; and
- (c) copies of all such other information concerning the business of the Target as the Agent may request;

11.6 If the Agent gives notice that it does not wish to participate in the Financing, the Corporation will then be free for 30 days to make other arrangements to obtain Financing or sponsorship from another source on the same terms or on terms no less favourable to the Corporation, subject to obtaining the acceptance of the Regulatory Authorities.

11.7 The right of first refusal will terminate if, on receipt of any Financing Notice from the Corporation, the Agent fails to exercise the right, and the Corporation completes a Financing or sponsorship with another source on the same terms or terms no less favourable to the Corporation.

12. ADDITIONAL CONDITIONS OF THE AGENT'S OBLIGATIONS

12.1 If at any time prior to the Time of Closing:

- (a) there shall have occurred any material change (as that term is defined pursuant to Securities Legislation) which, in the Agent's sole opinion, acting reasonably, materially impairs the investment quality or marketability of the Offered Shares;
- (b) there shall develop, occur or come into effect any event of any nature whatsoever or disclosure of any such event which, in the Agent's sole opinion, acting reasonably, has had or will have a material adverse effect upon the state of financial markets in Canada such that the offering of the Offered Shares cannot be completed;
- (c) if any new or amended prospectus with respect to the Offering discloses information which, in the Agent's sole opinion, acting reasonably, results at any time prior to the Time of Closing in the Subscribers of a material amount of the Offered Shares exercising their rights under the Securities Legislation to withdraw from or rescind their purchase thereof;
- (d) an order to cease or halt trading (other than the halt instituted by the Exchange to facilitate Closing) in the Offered Shares or any other securities of the Corporation has been made by the Commissions, the Exchange or any other securities commission, stock exchange or other regulatory authority having jurisdiction over the Corporation and has not been rescinded, revoked or withdrawn;
- (e) there is any material breach or non-performance of any of the covenants, representations and warranties of the Corporation contained in this Agreement that has not been rectified or remedied;
- (f) any inquiry or investigation in relation to the Corporation or the Corporation's directors, officers or insiders (as "insiders" is defined in the Securities Legislation) is commenced or threatened by the Commissions, Exchange or any other securities commission, stock exchange or other regulatory authority having jurisdiction over the Corporation;
- (g) there is any breach or non-performance by the Corporation of any provisions of any order of the Commissions or the Exchange or any other securities commission,

stock exchange or other regulatory authority having jurisdiction over the Corporation;

- (h) there is any amendment to Securities Legislation which will, in the Agent's opinion, increase the costs and expenses incurred or to be incurred by the Agent in connection with the offering of the Offered Shares, or impose any limitations or restrictions on the exercise of the Agent's Warrant or on the subsequent trading of the Agent's Shares acquired pursuant to the exercise of the Agent's Warrant; or
- (i) the Agent is not satisfied, in its sole discretion, with the results of its due diligence review contemplated in Section 8.1 hereof;

the Agent shall be entitled, at its option, acting reasonably, to terminate and cancel its obligations under this Agreement with no liability on the Agent's part, by written notice to that effect given to the Corporation not later than the Time of Closing. In the event of any such termination pursuant to the provisions of this Section 12, the Corporation's obligations under this Agreement shall be at an end save and except that the Corporation shall be liable to make payment of such of the costs and expenses provided for in Section 9 to be payable by the Corporation, as shall previously have been incurred by the Agent and the indemnities contained in Section 10 shall remain in full force and effect.

13. NOTICE

13.1 Any notice under this Agreement shall be given in writing and either sent by facsimile, delivered or mailed by prepaid post to the party to receive such notice at the address indicated below, or at such other address as any party may hereafter designate by notice in writing to each of the others:

- (a) to the Corporation at:

Red River Capital Corp.
1900-520 - 3rd Ave S.W.
Calgary, Alberta T2P 0R3

Attention: Julian Klymochko
Email: julian@redrivercapital.ca

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

Borden Ladner Gervais LLP
1900-520 - 3rd Ave S.W.
Calgary, Alberta T2P 0R3

Attention: Robb McNaughton
Facsimile: (403) 266-1395

- (b) to the Agent at:

Canaccord Genuity Corp.
Centennial Place - East Tower 520 3rd Ave S.W. Suite 2400
Calgary, Alberta T2P 0R3

Attention: Jeff German
Facsimile: (403) 508-3841

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

Dentons Canada LLP
15th Floor, Bankers Court, 850 – 2nd Street S.W.
Calgary, Alberta, T2P 0R8

Attention: Nicole Bacsalmasi
Email: nicole.bacsalmasi@dentons.com

If such notice is sent by facsimile or is delivered, it shall be deemed to have been given at the time of receipt of the facsimile or delivery; if such notice is sent by mail, it shall be deemed to have been received five Business Days following the date of mailing thereof. In the event of a strike or other disruption in postal service at or prior to the time a notice is deemed to have been received, such notice shall be delivered or sent by facsimile.

14. MISCELLANEOUS

14.1 Time shall be of the essence of this Agreement.

14.2 The representations and warranties contained in this Agreement or contained in certificates or documents submitted pursuant to or in connection with the transactions provided for herein shall survive Closing and shall continue in full force and effect for a period of two years following the Closing Date for the benefit of the Agent regardless of any investigation by or on behalf of the Agent with respect thereto.

14.3 This Agreement shall be construed and enforced in accordance with and the rights of the parties hereto shall be governed by the laws of the Province of Alberta. Each of the parties hereto irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta.

14.4 This Agreement supersedes all other agreements, documents, letters, writings and oral understandings among the parties relating to the subject matter hereof, including without limitation the engagement letter dated January 29, 2018 and this Agreement represents the entire agreement between the parties with respect to the subject matter hereof.

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

14.6 This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and all such counterparts together shall constitute one and the

same agreement. The parties hereto shall be entitled to rely on delivery of a facsimile copy of the executed counterpart.

14.7 All the terms and provisions of this Agreement shall be binding upon and enure to the benefit of and be enforceable by the parties hereto, their respective successors and assigns, but shall not be assignable without the prior written consent of the other parties hereto.

14.8 Nothing in this Agreement shall require or be deemed to require the Agent to act contrary to its statutory obligations or its fiduciary duties to its clients.

14.9 The parties hereto have required that this Agreement, as well as any notice, document or proceeding relating hereto be written in English. Les parties aux présentes ont exigé que le présent contrat ainsi que tout autre avis, document ou procédure s'y rapportant soit rédigé en anglais.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the parties hereto have executed this Agreement, the day and year first above written.

RED RIVER CAPITAL CORP.

Per: (signed) "Julian Klymochko"
Authorized Signatory

CANACCORD GENUITY CORP.

Per: (signed) "Jeff German"
Authorized Signatory

SCHEDULE "A"
RED RIVER CAPITAL CORP.

AGENT'S WARRANT CERTIFICATE

**THE WARRANTS REPRESENTED BY THIS WARRANT CERTIFICATE WILL BE
VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE [♦].**

[INSERT NECESSARY LEGENDS]

Number of Warrants: [♦]

Issue Date: [♦]

Certificate No: 2018- [♦]

Expiry Date: [♦]

THIS CERTIFIES that, for value received, Canaccord Genuity Corp., (the "**Holder**"), is the registered holder of 300,000 non-transferable compensation warrants (the "**Warrants**"), each of which entitle the Holder, subject to the terms and conditions set forth in this Agent's Warrant Certificate, to purchase from Red River Capital Corp. (the "**Corporation**"), one common share of the Corporation (a "**Common Share**") at any time and from time to time until 4:00 p.m. (Calgary time) on [♦], 2020 (the "**Expiry Date**") on payment of \$0.10 per Common Share (the "**Exercise Price**"), subject to adjustment in certain events.

This Agent's Warrant Certificate is being issued as partial compensation to Canaccord Genuity Corp. for its services in connection with the issue and sale of Common Shares of the Corporation pursuant to an agency agreement dated effective [♦], 2018 among the Corporation and Canaccord Genuity Corp. (the "**Agency Agreement**").

1. Exercise Date

The Warrants granted hereunder shall be exercised on or before Expiry Date, after which all rights granted hereunder shall terminate. The Holder agrees that only up to a total of 50% of the Common Shares obtained by the Holder pursuant to the exercise of the Warrants may be sold prior to the completion of a Qualifying Transaction (as that term is defined in the CPC Policy) by the Corporation. The remaining 50% Common Shares may only be sold after completion of a Qualifying Transaction. The Exchange may vary these requirements in exceptional circumstances upon the application of the Holder.

2. Exercise Price

The exercise price shall be the sum of \$0.10 per Common Share.

3. Exercise of Warrant

The Warrants granted hereunder may be exercised in whole or in part, at any time and from time to time, on or prior the Expiry Date, by the Holder delivering to the Corporation an election to exercise substantially in the form attached hereto as Exhibit 1 (the "**Election to Exercise**") at the address specified in the Agency Agreement, specifying therein the number of Common Shares

in respect of which the Warrant is being exercised, accompanied by payment in cash, certified cheque or bankers' draft payable to the Corporation in full payment of the purchase price for such number of Common Shares so specified therein.

4. Share Certificates

Upon exercise of the Warrant, the Corporation shall forthwith cause the Transfer Agent to deliver to the Holder or as the Holder may otherwise in writing direct in the notice of exercise of Warrant, within three Business Days following the receipt by the Corporation of payment for the number of Common Shares so exercised, a certificate or certificates representing in the aggregate such number of Common Shares as the Holder may have paid for.

5. No Rights of Shareholder Until Exercise

The Holder shall have no rights whatsoever as a shareholder (including any right to receive dividends or other distributions to shareholders or to vote at a general meeting of the shareholders of the Corporation) other than in respect of the Common Shares which the Holder shall have exercised its right to purchase hereunder and which the Holder shall have actually taken up and paid for pursuant to this Warrant.

6. Non Transferable

The rights conferred hereunder shall be non-transferable and non-tradeable.

7. No Fractional Common Shares

No fractional Common Shares will be issued on exercise of all or any of the Warrants represented by this certificate, and no compensation will be paid for such fractional Common Shares, if any.

8. Dilution

In the event of any reclassification, subdivision or redivision of the issued Common Shares of the Corporation at any time prior to the Expiry Date into a greater number of Common Shares (including the declaration or payment of any stock dividend), the Corporation shall deliver at the time of any exercise thereafter of the Warrants hereby granted, at no additional cost to the Holder, but only as to the Common Shares in respect of which the Warrants are then exercised, the number of Common Shares which the Holder would have been entitled to following such reclassification, subdivision or redivision if it had exercised the Warrants and held the Common Shares immediately prior to the date of reclassification, subdivision or redivision. The Holder shall pay for the number of Common Shares delivered upon exercise as aforesaid an amount calculated by multiplying the exercise price by the number of Common Shares over which the right would have been exercised if such exercise had been made prior to the date of such reclassification, subdivision or redivision.

In the event of any consolidation or change in the Common Shares of the Corporation at any time prior to the Expiry Date into a lesser number of Common Shares, the Corporation shall deliver at the time of any exercise thereafter of the Warrants hereby granted, but only as to the

Common Shares in respect of which the Warrants are then exercised, the number of Common Shares which the Holder would have been entitled to following such consolidation or change if it had exercised the Warrants and held the Common Shares immediately prior to the date of such consolidation or change. The Holder shall pay for the number of Common Shares delivered upon exercise as aforesaid, an amount calculated by multiplying the exercise price by the number of Common Shares over which the right would have been exercised if such exercise had been made prior to the date of such consolidation or change.

In the event that the Corporation shall at any time prior to the Expiry Date, amalgamate, consolidate with or merge into another corporation, the Holder shall thereafter receive, upon the exercise of the Warrants, but only as to the Common Shares in respect of which the Warrants are then exercised, the securities or property which the Holder would have been entitled to following such amalgamation, consolidation or merger if it had exercised the Warrants and held the Common Shares immediately prior to the amalgamation, consolidation or merger, and the Corporation will take such steps in connection with such amalgamation, consolidation or merger as may be necessary to ensure that the provisions hereof shall thereafter be applicable, as near as reasonably may be possible in relation to any securities or properties thereafter delivered upon the exercise of the Warrants hereby granted. A sale of all or substantially all of the assets of the Corporation for a consideration (apart from the assumption of obligations) consisting primarily of securities, shall be deemed a consolidation, amalgamation or merger for the foregoing purposes.

Adjustments shall be made successively whenever any event referred to in this paragraph shall occur. Upon any adjustment of the number of Common Shares which may be purchased hereunder, the Corporation shall give written notice to the Holder, giving particulars of such adjustment. In the event the Corporation agrees to sell all or substantially all of the assets of the Corporation for cash, it shall give the Holder at least 30 days' notice prior to the date of finalization of such proposed sale, determined as of the date of notice. In the event of the liquidation, dissolution or winding up of the affairs of the Corporation, the right to exercise the Warrants shall terminate 10 days before the earliest day fixed for the payment of any distribution amount on the Common Shares of the Corporation, provided at least 30 days' notice of such payment date shall be given to the Holder, determined as of the date of notice.

9. Reservation of Treasury Shares

The Corporation shall at all times, during the term of this Agent's Warrant Certificate, reserve and keep available a sufficient number of unissued Common Shares to satisfy the requirements hereof.

10. Definitions

Capitalized terms used herein that are not otherwise defined shall have the same meaning as provided in the Agency Agreement.

11. Enurement

Subject to the other provisions hereof, this Agent's Warrant Certificate shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

12. Governing Law

This Agent's Warrant Certificate will be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the Corporation has caused this Agent's Warrant Certificate to be signed by its duly authorized officers.

DATED as of [♦], 2018.

RED RIVER CAPITAL CORP.

Per: _____
Authorized Signatory

EXHIBIT 1

Election to Exercise

The undersigned hereby irrevocably elects to exercise Warrants to acquire the number of Common Shares set out below (or other property or securities subject thereto) as set forth below:

(b) Number of Common Shares to be Acquired: _____

(c) Exercise Price: _____

(d) Aggregate Purchase Price [(a) multiplied by (b)]: \$_____

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Common Shares to be registered and certificates therefor to be issued as directed below.

All capitalized terms used herein that are not otherwise defined shall have the same meaning as provided in the Agency Agreement.

DATED this _____ day of _____, 20_____.

CANACCORD GENUITY CORP.

Per:

Direction as to Registration

Name of Registered Holder:

Address of Registered Holder:

SCHEDULE "B"

To an Agreement dated the [•] day of [•], 2018 between Red River Capital Corp. (the "**Corporation**") and Canaccord Genuity Corp. (the "**Agent**")

OPINIONS

Based upon and subject to the foregoing and to the qualifications in our opinion letter, we are of the opinion that:

1. Corporate Existence. The Corporation is a valid and subsisting corporation under the laws of the Province of Alberta.
2. Corporate Power and Capacity to Carry On Its Business. The Corporation has all necessary corporate power and capacity to carry on its business and to own its properties and assets, in each case as described in the Prospectus.
3. Corporate Power and Capacity to Execute and Deliver Transaction Documents. The Corporation has all necessary corporate power and capacity to execute and deliver and to perform its obligations under the Transaction Documents and to offer, issue and sell, as applicable, the Common Shares and the Agent's Warrants.
4. Share Capital of Corporation. The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares of which 2,500,000 Common Shares are issued and outstanding as fully paid and non-assessable shares immediately prior to the issuance of the Common Shares pursuant to the Offering and no preferred shares are issued and outstanding.
5. Authorization. The execution and delivery by the Corporation of the Transaction Documents and the performance by it of its obligations thereunder have been duly authorized by all necessary corporate action on the Corporation's part.
6. Execution and Delivery. The Corporation has duly executed and delivered each of the Transaction Documents.
7. Enforceability. Each of the Transaction Documents constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms.
8. No Contravention. The execution and delivery by the Corporation of the Transaction Documents and the performance by it of its obligations thereunder, including the offer, issue and sale, as applicable, of the Common Shares and the Agent's Warrants, do not breach or constitute a default under, and do not create a state of facts which, after notice or lapse of time or both, will result in a breach or constitute a default under any provisions of, or constitute a default under:
 - (a) its Notice of Articles and Articles; and

- (b) any statute, rule or regulation of the province of Alberta or the federal laws of Canada applicable therein to the Corporation.
9. Issuance and Reservation of Common Shares. The issuance and sale of the Common Shares has been duly authorized by all necessary corporate action on the part of the Corporation in the manner contemplated by the Prospectus and the Agency Agreement and, upon receipt by the Corporation of the consideration for the Common Shares, the Common Shares have been validly issued as fully-paid and non-assessable shares in the capital of the Corporation. The Agent's Warrants have been duly and validly authorized, created and issued by the Corporation, and the Underlying Common Shares have been duly reserved for issuance and will be, when issued in accordance with the due exercise of the Agent's Warrants pursuant to the terms of the Warrant Certificates, issued as fully paid and non-assessable Common Shares in the capital of the Corporation.
 10. Attributes of Common Shares. The attributes of the Common Shares are consistent in all material respects with the description of the Common Shares and the Underlying Common Shares in the Prospectus.
 11. Transfer Agent. Computershare Investor Services Inc., at its office in Calgary, Alberta, has been duly appointed as the transfer agent and registrar of the Common Shares.
 12. Form of Certificate. The form and terms of the certificate representing the Common Shares, the Agent's Warrants and the Underlying Common Shares have been approved and adopted by the directors of the Corporation and conform with all legal requirements relating thereto including the *Business Corporations Act* (Alberta) and the published by-laws and policies of the Exchange.
 13. Execution and Delivery of Preliminary Prospectus and Prospectus. The execution and delivery by the Corporation of each of the Preliminary Prospectus and the Prospectus and the filing of these documents with the Securities Regulators under the Securities Laws have been duly authorized by all necessary corporate action on the Corporation's part.
 14. Qualification for Distribution. All necessary documents have been filed and all requisite proceedings have been taken and all necessary approvals, permits, consents and authorizations of the securities regulators under the Securities Laws have been obtained by the Corporation to qualify: (i) the Common Shares for distribution in each of the Qualifying Jurisdictions through dealers duly registered in the category of investment dealer under the Securities Laws of the applicable Qualifying Jurisdiction who have complied with the relevant provisions of such applicable Securities Laws and the terms of their registration; and (ii) the distribution of the Agent's Warrants to the Agent.
 15. Issuance of Underlying Common Shares. No prospectus is required nor are any other documents, proceedings or approvals, permits, consents or authorizations of regulatory authorities required to be filed, taken or obtained (other than those which have been filed, taken or obtained) under the Securities Laws to permit the issuance by the Corporation of the Underlying Common Shares on the due exercise of the Agent's Warrants in accordance with their terms.

16. Resale of Underlying Common Shares. No prospectus is required nor are any other documents required to be filed, proceedings taken or approvals, permits, consents or authorizations of regulatory authorities obtained under Securities Laws to permit a holder of Underlying Common Shares acquired in accordance with the terms of the Agent's Warrants to trade such Underlying Common Shares in the Qualifying Jurisdictions, through dealers duly registered in the category of investment dealer under the Securities Laws of the applicable Qualifying Jurisdiction who have complied with the relevant provisions of such applicable Securities Laws and the terms of their registration, provided that the trade is not a "control distribution" with the meaning of National Instrument 45-102 – Resale of Securities" ("NI 45-102") and the Corporation is a reporting issuer for the purposes of NI 45-102 at the time of the trade.
17. Income Tax Considerations. Subject to the assumptions, qualifications, limitations and restrictions set out in the Prospectus under the heading "Eligibility for Investment" and provided that the Common Shares are currently listed on the TSX Venture Exchange, the Common Shares are qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts.
18. Listing. The Common Shares and the Underlying Common Shares have been accepted for listing on the Exchange, subject to satisfying the conditions set out in the Exchange Letter.