

## AGENCY AGREEMENT

THIS AGREEMENT dated for reference September 10, 2020 is made

BETWEEN:

**JUSTIFY CAPITAL CORP.**, 595 Burrard Street, Suite 1703, Vancouver, BC,  
V7X 1J1

(the “**Issuer**”);

AND

**HAYWOOD SECURITIES INC.**, Bay Wellington Tower, Brookfield Place, Suite  
2910, 181 Bay Street, Toronto, ON, M5J 2T3

(the “**Agent**”).

WHEREAS:

- A. The Issuer wishes to raise money in accordance with the CPC Policy (as defined herein) and for the purposes set forth in its Prospectus (as defined herein), which is to be filed by the Issuer with the Regulatory Authorities (as defined herein), by offering for sale certain of its shares;
- B. The Issuer wishes to appoint the Agent to distribute those shares and the Agent is willing to accept the appointment on the terms and conditions of this Agreement;

THE PARTIES to this Agreement therefore agree:

### 1. DEFINITIONS

In this Agreement:

- (a) “**Agent’s Commission**” has the meaning given to it in Section 7.1;
- (b) “**Agent’s Fee**” means the consideration payable by the Issuer to the Agent in respect of the services performed by the Agent under this Agreement as further described in Section 7.1;
- (c) “**Agent’s Warrants**” means the common share purchase warrants of the Issuer which will be issued as part of the Agent’s Fee and which have the terms provided in this Agreement and the certificates representing such common share purchase warrants;
- (d) “**Agent’s Warrant Shares**” means any common shares in the capital of the Issuer that may be issued on exercise of the Agent’s Warrants;
- (e) “**Agreement in Principle**” has the meaning defined in the CPC Policy;
- (f) “**Applicable Legislation**” means the securities acts in the Selling Provinces, the regulations and rules made thereunder, all administrative policy statements,

instruments, blanket orders, notices, directions and rulings issued by the Commissions and the rules and policies of the Exchange, in particular, the CPC Policy;

- (g) **“Approval Date”** means the date the Shares commence trading on the Exchange;
- (h) **“Closing”** means the closing of the purchase and sale, and the issuance by the Issuer, of the Shares;
- (i) **“Closing Date”** means such day following the Effective Date as may be agreed to by the Issuer and the Agent on which the Closing takes place;
- (j) **“Commissions”** means the securities commissions in the Selling Provinces;
- (k) **“Corporate Finance Fee”** means the \$9,000.00 (plus H.S.T) to be paid to the Agent by the Issuer in consideration of corporate finance and structuring services provided by the Agent;
- (l) **“CPC Policy”** means policy 2.4 of the Exchange entitled, *“Capital Pool Companies”*, as may be amended by the Exchange from time to time;
- (m) **“Distribution”** means the distribution or sale of the Securities pursuant to this Agreement;
- (n) **“Effective Date”** means the date on which the Final Receipt is issued;
- (o) **“Exchange”** means the TSX Venture Exchange Inc.;
- (p) **“Final Receipt”** means the receipt issued for the final Prospectus by the principal regulator pursuant to MI 11-102 and NP 11-202, representing a final receipt for the Prospectus in each of the Selling Provinces;
- (q) **“Material Change”** has the meaning defined in the Applicable Legislation;
- (r) **“MI 11-102”** means Multilateral Instrument 11-102 - *Passport System*;
- (s) **“Material Fact”** has the meaning defined in the Applicable Legislation;
- (t) **“Misrepresentation”** has the meaning defined in the Applicable Legislation;
- (u) **“NP 11-202”** means National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions*;
- (v) **“Officers’ Certificate”** has the meaning given to it in Section 6.1(c);
- (w) **“Offering”** means the offering of the Shares under the Prospectus;
- (x) **“Offering Price”** means \$0.15 per Share;
- (y) **“Outside Date”** means ninety (90) days after the Effective Date, or if a receipt is issued for an amendment to the final Prospectus, ninety (90) days after the date

of such receipt; provided, however, that the Outside Date shall not be later than 180 days after the Effective Date;

- (z) **“Overall Subscription”** means subscriptions for an aggregate of 1,350,000 Shares (for aggregate gross proceeds of \$202,500), as more fully described in the Prospectus;
- (aa) **“Preliminary Receipt”** means the receipt issued for the preliminary Prospectus by the securities commission that is designated as the principal regulator pursuant to MI 11-102 and NP 11-202;
- (bb) **“Proceeds”** means the gross proceeds of the Offering, less:
  - (i) the Agent’s Commission;
  - (ii) the Corporate Finance Fee which is payable in cash;
  - (iii) the expenses of the Agent in connection with the Offering which have not been repaid by the Issuer (as contemplated in Section 14.1); and
  - (iv) any amount already received by the Issuer;
- (cc) **“Prospectus”** means the preliminary prospectus and the final prospectus, as applicable, filed or intended to be filed by the Issuer with the Regulatory Authorities in connection with the Offering and any amendments to the preliminary prospectus and final prospectus, as applicable, which may be filed with the Regulatory Authorities;
- (dd) **“Qualifying Transaction”** has the meaning defined in the CPC Policy;
- (ee) **“Regulatory Authorities”** means the Commissions and the Exchange;
- (ff) **“Securities”** means the Shares, Agent’s Warrants, and Agent’s Warrant Shares;
- (gg) **“Selling Provinces”** means British Columbia, Alberta, and Ontario;
- (hh) **“Shares”** means 1,350,000 previously unissued common shares of the Issuer to be offered by the Issuer pursuant to this Agreement having the terms provided in this Agreement;
- (ii) **“Significant Assets”** has the meaning defined in the CPC Policy;
- (jj) **“Subscriber”** means those subscribers whose offers to purchase Shares are accepted by the Agent and the Issuer;
- (kk) **“Subscription Funds”** means the gross proceeds received in respect of subscriptions for Shares pursuant to and in accordance with the terms of the Offering and this Agreement; and

## **2. APPOINTMENT OF AGENT**

2.1 The Issuer appoints the Agent as its exclusive agent and the Agent accepts the appointment and will act as the exclusive agent of the Issuer to offer the Shares for sale under the Prospectus at the Offering Price on a commercially reasonable efforts basis the number of which shall be equal to Overall Subscription. The Agent may retain as sub-agents other registered securities dealers in the Selling Provinces and may receive subscriptions from such securities dealers; provided, however, that the Issuer shall not be liable for payment of any compensation or fees to such sub-agents or registered securities dealers.

2.2 The Agent shall secure from each proposed Subscriber of the Shares such certificates, documents and forms as may be required by Applicable Legislation and such questionnaires, undertakings and other material as may, in the opinion of the Agent or its counsel, be required by the Exchange.

2.3 The Agent shall receive, tabulate, hold and account for all Subscription Funds received by it in respect of the Offering.

2.4 Subscription Funds received by the Agent shall be held by the Agent in trust for the Subscribers pursuant to the terms of this Agreement, and shall be dealt with by the Agent accordance with the provisions of Sections 5.6, 5.7 and 8 hereof.

## **3. THE SHARES**

3.1 The Shares will be issued and registered in the names and denominations reasonably requested by the Agent.

## **4. FILING OF PROSPECTUS**

4.1 The Issuer will cause the Prospectus to be filed with the Regulatory Authorities, will deliver all necessary copies of the Prospectus to the Regulatory Authorities and will use its commercially reasonable efforts to have the Prospectus accepted by the Regulatory Authorities.

4.2 The Issuer will provide the Agent with as many copies of the final Prospectus as the Agent reasonably requests.

4.3 Delivery of the Prospectus and any amendment thereto shall constitute a representation and warranty by the Issuer to the Agent that all information and statements (except information and statements relating solely to the Agent) contained in the Prospectus and any amendment thereto are true and correct in all material respects at the time of delivery thereof and contain no Misrepresentations and constitute full, true and plain disclosure of all Material Facts relating to the Issuer and the Securities and that no Material Fact or material information has been omitted therefrom (except facts or information relating solely to the Agent) which is required to be stated therein or is necessary to make statements of information contained therein not misleading in light of the circumstances under which they were made. Such delivery shall also constitute the Issuer's consent to the Agent's use of the Prospectus and any amendment thereto for the purpose of the sale of Shares in the Selling Provinces in compliance herewith and with the Applicable Legislation.

## 5. LISTING APPLICATION AND CONDUCT OF THE OFFERING

5.1 Prior to the Closing Date, the Issuer will make an application to list the Shares and Agent's Warrant Shares on the Exchange and conditional approval of such application must be obtained from the Exchange prior to Effective Date.

5.2 Following the Effective Date the Issuer and the Agent will set the Closing Date.

5.3 If the Overall Subscription has been received by the Agent, the Closing Date will occur on or before the Outside Date.

5.4 After the Effective Date, the Issuer 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 of the Issuer on the Exchange, which is to occur no later than 1 day prior to the Closing Date unless otherwise agreed to by the Agent.

5.5 The Agent will advise the Issuer and its counsel when the Overall Subscription under the Prospectus is received.

5.6 If, at the Outside Date, the Agent does not receive Subscription Funds in the aggregate amount the Overall Subscription, the Agent shall, promptly thereafter, and in any case not later than fifteen (15) days from the Outside Date, remit to each Subscriber whose Subscription Funds are held by the Agent, such Subscriber's Subscription Funds, without interest or deduction.

5.7 If the subscription of any Subscriber delivered to the Agent is for any reason rejected (in whole or in part) by the Issuer, the Subscription Funds in respect of such rejected subscription shall be forthwith returned to such Subscriber without interest or deduction.

## 6. OPINIONS AND CERTIFICATES

6.1 On the Closing Date, the Issuer shall deliver the following documents to the Agent and its counsel in a form acceptable to them:

- (a) evidence of the necessary approval of the Regulatory Authorities for the Offering;
- (b) a legal opinion of the Issuer's legal counsel addressed to the Agent and to the Agent's legal counsel, in form and substance satisfactory to the Agent and the Agent's legal counsel, acting reasonably, with respect to such matters as the Agent and the Agent's legal counsel may reasonably request relating to the Distribution under the Prospectus;
- (c) a certificate, in form and substance satisfactory to the Agent's legal counsel, signed by the Chief Executive Officer and Chief Financial Officer of the Issuer and addressed to the Agent and to the Agent's legal counsel, dated the Closing Date (the "**Officers' Certificate**"), to the effect that:
  - (i) the representations and warranties contained in Section 12.1 hereof are true and correct at and as at the Closing Date after giving effect to the transactions contemplated by the Prospectus and this Agreement;

- (ii) the Issuer has complied with all covenants and satisfied all the conditions contained herein on its part to be performed or satisfied (except those waived in writing by the Agent) at or prior to the Closing Date;
- (iii) no order suspending the sale or ceasing the trading of the Shares or any other securities of the Issuer 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, the Exchange, or any other securities commission, stock exchange or regulatory authority; and
- (iv) such officer of the Issuer has examined the Prospectus and since the respective dates as of which information is given in the Prospectus, except as set forth in and contemplated by the Prospectus, the Issuer has not incurred any material liabilities or obligations, direct or contingent, or entered into any transactions not in compliance with the CPC Policy, and there has been no material change in the assets, financial position, business or results of operations of the Issuer, and to the best of the knowledge and information of such officer, no event has occurred and no state of fact that, under Applicable Legislation, is required to be set forth in an amended Prospectus that has not been so set forth.

## 7. AGENT'S FEE

7.1 In consideration of the services performed by the Agent under this Agreement, the Issuer agrees to:

- (a) pay the Agent a cash commission of 7.5% of the gross proceeds of the Offering (the "**Agent's Commission**");
- (b) pay the Agent the Corporate Finance Fee; and
- (c) issue the Agent's Warrants to the Agent and any sub-agents entitling the Agent or any sub-agents to purchase 100,000 Agent's Warrant Shares exercisable at the Offering Price any time up to the close of business twenty-four (24) months from the Approval Date.

7.2 Pursuant to the CPC Policy, no more than 50% of the aggregate number of Agent's Warrant Shares may be sold prior to completion of the Qualifying Transaction and the remaining 50% may only be sold after completion of the Qualifying Transaction.

7.3 If the Agent retains sub-agents or receives subscriptions from sub-agents, the Agent, in its sole discretion, shall pay such sub-agents fees as agreed to among the Agent and such sub-agents, provided, however, that the Issuer shall not be responsible for the payment or issuance of additional commissions, fees or warrants to such sub-agents in excess of the Agent's Fee.

7.4 In the event the Agent is willing to proceed with the Offering but the Issuer precludes the Agent from completing the Offering, notwithstanding anything else in this Agreement, the Corporate Finance Fee shall be paid to the Agent.

## **8. CLOSING**

8.1 The Closing shall occur on the Closing Date at such location as may be agreed to between the Issuer and the Agent. On the Closing Date, the Agent shall deliver to the Issuer:

- (a) the Proceeds; and
- (b) such further and other documentation that may be contemplated by this Agreement,

against delivery by the Issuer at the Closing of:

- (c) confirmation of issuance on a non-certificated basis of Shares representing the number of Shares sold registered in such name or names and numbers as the Agent shall notify the Issuer in writing prior to the Closing Date;
- (d) the Agent's Warrants; and
- (e) such other documents and certificates as may be contemplated by this Agreement or as the Agent, acting reasonably, the Commissions or the Exchange may require or dictate.

8.2 The obligation of the Agent to pay the Proceeds to the Issuer shall be subject to the following conditions precedent:

- (a) completion by the Agent of due diligence on the Issuer to its reasonable satisfaction;
- (b) the Issuer shall have performed or complied with each covenant and obligation herein provided on its part to be performed or complied with;
- (c) each of the representations and warranties of the Issuer herein shall continue to be true, and the Officers' Certificate shall contain certification to that effect; and
- (d) the Issuer shall have, to the satisfaction of the Agent's counsel, taken or caused to be taken all steps and proceedings which may be requisite under the Applicable Legislation to qualify the Distribution of the Shares to the public in the Selling Provinces through registrants who have complied with the provisions of the Applicable Legislation and to qualify the Distribution of the Agent's Warrants to the Agent and any sub-agents, including the filing and the obtaining of the Preliminary Receipt and the Final Receipt.

## **9. COVENANTS AND OBLIGATIONS OF THE ISSUER**

9.1 The Issuer covenants and agrees that it has complied with and will abide by and comply with all Applicable Legislation and will complete all filings required of the Issuer under the Applicable Legislation and by the Exchange in connection with the Offering, the Prospectus and the listing of the Shares and the Agent's Warrant Shares.

9.2 The Issuer covenants and agrees that:

- (a) it has not and will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction, until completion of a Qualifying Transaction; and
- (b) it has not entered into an Agreement in Principle.

9.3 If a Material Change occurs in the affairs of the Issuer after the Prospectus is filed with the Regulatory Authorities but before the conclusion of the Distribution the Issuer shall:

- (a) notify the Agent immediately, in writing, with full particulars of the change;
- (b) file an amendment to the Prospectus, in a form acceptable to the Agent, disclosing the Material Change with the Regulatory Authorities as soon as practicable, and in any event no later than ten (10) days after the change occurs; and
- (c) provide as many copies of that amendment to the Agent as the Agent may reasonably request.

9.4 The Issuer shall in good faith discuss with the Agent any fact or change in circumstances (actual and anticipated, contemplated or threatened, whether financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to Section 9.3.

9.5 Until the Qualifying Transaction has occurred, the Issuer shall:

- (a) notify the Agent of any significant change proposed to be made in the corporate undertaking of the Issuer;
- (b) notify the Agent of any proposed issuance of a control block of securities (meaning a holding of Shares or other securities of the Issuer or both held by a person or combination of persons acting jointly or in concert to which are attached more than 20% of the voting rights attached to all outstanding securities of the Issuer carrying voting rights);
- (c) notify the Agent of any Agreement in Principle being reached with respect to a Qualifying Transaction;
- (d) notify the Agent of any proposed change to the constitution of the board of directors of the Issuer, or to the membership of senior management of the Issuer, including any resignations, terminations or departures of members of the Board of Directors or senior management; and
- (e) notify the Agent of any circumstances where the Issuer does not expect to comply with a filing deadline imposed by regulatory authorities, such notification to be provided at least ten (10) business days before the deadline;

forthwith upon the proposal of such change, issuance, sale, disposition or agreement.

## 10. COVENANTS OF THE AGENT

10.1 The Agent hereby covenants, subject to the conditions contained in Section 11 hereof, to use commercially reasonable efforts to solicit subscriptions for the Shares in the Selling Provinces and without limiting the generality of the foregoing, to obtain subscriptions from at least 200 Subscribers, each of such Subscribers:

- (a) purchasing beneficially at least 1,000 Shares free of “Resale Restrictions” exclusive of any common shares of the Issuer held by “Non Arm’s Length Parties” to the Issuer (as such terms are defined in Exchange Policy 1.1);
- (b) individually purchasing, directly or indirectly, no more than 2% of the Shares, and in the aggregate, with such Subscriber’s Associates and Affiliates (as such terms are defined in the Exchange Policy 1.1), purchasing, directly or indirectly, no more than 4% of the Shares; and
- (c) not being a Non-Arm’s Length Party (as that term is defined in Exchange Policy 1.1.) to the Issuer, provided, however, that any Subscriber in excess of the 200 minimum Subscribers contemplated above may be a Non-Arm’s Length Party if that Subscriber complies with the requirements of the Policy.

10.2 The Agent hereby covenants and agrees, subject to the conditions contained in this Section 10, that it will not solicit subscriptions for the Common Shares except in compliance with Applicable Legislation, and only in the Selling Provinces, the rules, policies and by-laws of the Exchange and the terms and conditions set forth in the Prospectus and this Agreement

10.3 The Agent will deliver to each Subscriber a copy of the Prospectus sufficiently in advance of the Closing Date such that all withdrawal rights under the Applicable Legislation will have expired on or before the Closing Date.

10.4 The obligation of the Agent to execute any certificate or deliver any documents pertaining to the Prospectus shall be conditional upon compliance by the Issuer 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 the Prospectus.

10.5 The Agent covenants and agrees that it shall:

- (a) provide all such notices and documents as may be required in connection with the Offering, including those required for the Prospectus by the orders, policies, rules, regulations, by-laws and procedures of the Commissions and the Exchange which govern capital pool company offerings, as amended from time to time;
- (b) deliver to the Exchange as soon as reasonably possible prior to the Closing, a Distribution Summary Statement as required by Section 3.2 of Policy 2.3 of the Exchange or such other document as may be required by the Exchange; and
- (c) deliver to the Corporation as soon as reasonably possible prior to the Closing, a breakdown showing the Subscription Funds received by the Agent in each Selling Province.

## **11. TERMINATION**

11.1 The Agent may terminate its obligations under this Agreement by notice in writing to the Issuer at any time before the Closing if:

- (a) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets or the business of the Issuer or the ability of the Agent to perform its obligations under this Agreement or an investor's decision to purchase Shares;
- (b) an adverse Material Change or adverse change in a Material Fact relating to any of the Securities occurs or is announced by the Issuer;
- (c) following a consideration of the history, business, products, property or affairs of the Issuer or its principals and promoters, or the state of the financial markets in general, or the state of the market for the Issuer's securities in particular, or the possibility of investors exercising their statutory rights to withdraw from a purchase of the Issuer's securities, the Agent determines, in its sole discretion, that it is not in the interest of investors to complete the Offering;
- (d) the Shares cannot, in the opinion of the Agent, be marketed profitably due to the state of the financial markets, or the market for the Shares in particular; or
- (e) an enquiry or investigation (whether formal or informal) in relation to the Issuer, or the Issuer's directors, officers or promoters, is commenced or threatened by an officer or official of any competent authority.

11.2 The Agent may terminate its obligations under this Agreement by notice in writing to the Issuer at any time if:

- (a) any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Issuer is made by a competent regulatory authority and that order is still in effect;
- (b) the Issuer is in breach of any material term of this Agreement; or
- (c) the Agent determines that any one of the material representations or warranties made by the Issuer in this Agreement is false or has become false.

11.3 If the Agent exercises its right to terminate this Agreement, then the Issuer will immediately issue a press release setting out particulars of the termination.

11.4 The Agent, at its sole discretion, may terminate this Agreement in writing if a Final Receipt is not issued within 120 days of the reference date of this Agreement.

## **12. WARRANTIES AND REPRESENTATIONS**

12.1 The Issuer warrants and represents to the Agent that:

- (a) the Issuer has been duly incorporated and is in good standing under the laws of British Columbia;
- (b) the Issuer is duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;
- (c) the Issuer has full corporate power and authority to carry on its business as now carried on by it and to undertake the Offering, and this Agreement has been, or will be by the Closing, duly authorized by all necessary corporate action on the part of the Issuer;
- (d) the Issuer has not carried on any business other than the identification and evaluation of assets or business in connection with a potential Qualifying Transaction;
- (e) the Issuer has not entered into an Agreement in Principle and has no predetermined plans respecting an acquisition of Significant Assets;
- (f) all of the material transactions of the Issuer have been promptly and properly recorded or filed in its books or records and its minute books or records contain all records of the meetings and proceedings of its directors, shareholders, and other committees, if any, since inception;
- (g) the authorized capital of the Issuer is as disclosed in the Prospectus and the issued and outstanding common shares of the Issuer are fully paid and non-assessable and, except as disclosed in the Prospectus, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of the Issuer or any other security convertible into or exchangeable for any such shares, or to require the Issuer to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (h) the Issuer has no subsidiaries;
- (i) the Issuer will reserve or set aside sufficient common shares in its treasury to issue the Shares and Agent's Warrant Shares;
- (j) the Prospectus will contain full, true and plain disclosure of all Material Facts in relation to the Issuer, its business and its securities, will contain no Misrepresentations, will be accurate in all material respects and will omit no fact, the omission of which will make such representations misleading or incorrect;
- (k) the financial statements of the Issuer which form part of the Prospectus have been prepared in accordance with International Financial Reporting Standards, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer as at the date of the financial statements and there have been no adverse material changes in

the financial position of the Issuer since the date thereof, and the business of the Issuer has been carried on in the usual and ordinary course consistent with past practice except as fully and plainly disclosed in the Prospectus;

- (l) the auditors of the Issuer who audited the financial statements of the Issuer which form part of the Prospectus and who provided their audit report thereon are auditors listed on the Canadian Public Accountability Board List of participating audit firms as of the date hereof and there has never been a reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Requirements*) with the present auditors of the Issuer;
- (m) the Issuer has complied and will comply fully, in all material respects, with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, Applicable Legislation and its regulations and the *Business Corporations Act* (British Columbia) in relation to the issue and trading of its securities and in all matters relating to the Offering;
- (n) the Issuer is in compliance with all applicable laws, regulations and statutes in the jurisdictions in which it carries on business and which materially affect the Corporation, has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations and statutes;
- (o) the issue and sale of the Securities by the Issuer does not and will not conflict with, and does not and will not result in a breach of, or constitute a default under:
  - (i) any statute, rule or regulation applicable to the Issuer including, without limitation, the Applicable Legislation;
  - (ii) the constating documents, by-laws or resolutions of the Issuer that are in effect at the date hereof;
  - (iii) any agreement, debt instrument, mortgage, note, indenture, instrument, lease or other document to which the Issuer is a party or by which it is bound; or
  - (iv) any judgment, decree or order binding the Issuer or the property or assets of the Issuer;
- (p) the Issuer is not a party to any actions, suits or proceedings which could materially adversely affect its business or financial condition, and, to the knowledge of management of the Issuer, no such actions, suits or proceedings are contemplated or have been threatened;
- (q) to the knowledge of management of the Issuer, there are no judgments against the Issuer which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer is subject;

- (r) there is not presently, and will not be until the conclusion of the Distribution, any Material Change or change in any Material Fact relating to the Issuer which has not been or will not be fully disclosed in the Prospectus;
- (s) except as disclosed in the Prospectus, no order ceasing, halting or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to and is outstanding against the Issuer or its directors, officers or promoters and, to the knowledge of management of the Issuer, no investigations or proceedings for such purposes are pending or threatened;
- (t) the Issuer has filed all federal, provincial, local and foreign tax returns which are required to be filed, or has requested extensions thereof, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, or any amounts due and payable to any governmental authority, to the extent that any of the foregoing is due and payable;
- (u) the Issuer has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Issuer except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer which are known by the Issuer's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Issuer;
- (v) the Issuer does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is used in the *Income Tax Act* (Canada));
- (w) other than the Agent, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finder's fee in connection with the transactions described herein; and

12.2 The Agent warrants and represents to the Issuer that:

- (a) it is a valid and subsisting corporation under the law of the jurisdiction in which it was incorporated, continued or amalgamated and in good standing under the laws of such jurisdiction;
- (b) it is a member in good standing of the Exchange;
- (c) it is duly registered under Applicable Legislation to offer the Shares for sale in the Selling Provinces;
- (d) this Agreement has been authorized by all necessary corporate action on the part of the Agent and is a valid and binding obligation of the Agent enforceable in accordance with its terms; and

- (e) it has complied with and will fully comply with the requirements of all Applicable Legislation, its rules and regulations and the by-laws and rules of the Exchange, in relation to trading in the Securities and all matters relating to the Offering.

### 13. ELIGIBILITY FOR INVESTMENT

13.1 The Issuer covenants that it has applied to list its common shares on the Exchange as of the day before the Closing, which listing shall be followed by an immediate halt in trading of the common shares of the Issuer in order to allow the Issuer to satisfy the conditions of the Exchange and to have the common shares of the Issuer listed and posted for trading prior to the issuance of the Shares on Closing (the "**Confirmation**").

13.2 The Issuer acknowledges that the Agent is relying on the Confirmation with respect to sales of the Shares into 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 and agrees that, if the Issuer has fulfilled its obligations under Section 13.1 by obtaining a Confirmation and if the Exchange does not issue a bulletin in relation to the listing of the Shares at the time of their issuance on Closing, the Issuer will immediately notify the Agent and Closing may be delayed, at the sole discretion of the Agent.

### 14. EXPENSES OF AGENT

14.1 The Issuer will pay all the expenses reasonably incurred by the Agent in connection with the Offering including, without limitation, the reasonable fees of the solicitors for the Agent, subject to a maximum of \$9,000 (exclusive of disbursement costs and applicable taxes).

14.2 The Issuer will pay the expenses referred to in Section 14.1 even if the Prospectus and this Agreement are not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed or this Agreement is terminated, unless the failure of acceptance or completion or the termination is the result of a breach of this Agreement by the Agent.

14.3 The expenses referred to in Section 14.1 shall be payable to the Agent upon delivery to the Issuer of an invoice evidencing such expenses (including disbursement costs and applicable taxes).

14.4 The Issuer authorizes the Agent to deduct its reasonable expenses in connection with the Offering, as documented by the Agent pursuant to Section 14.3, from the Subscription Funds.

### 15. INDEMNITY

15.1 The Issuer hereby agrees to indemnify and save harmless to the maximum extent permitted by law, the Agent, its affiliates and selling group members and their affiliates and their respective directors, officers, employees, partners and agents (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses, claims, actions, suits, proceedings, investigations, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits) whether joint or several, including the aggregate amount paid in reasonable settlement, provided the Issuer has agreed to such settlement, of any actions, suits, proceedings, investigations or claims and the fees, reasonable

disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (each a “**Claim**” and, collectively, the “**Claims**”) to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of services rendered by the Agent in connection with this Agreement whether performed before or after the execution of the Agreement by the Issuer, and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim.

15.2 If and to the extent that a court of competent jurisdiction, in a final non-appealable judgement in a proceeding in which an Indemnified Party is named as a party, determines that a Claim was caused by or resulted from an Indemnified Party’s negligence or wilful misconduct, this indemnity shall cease to apply to such Indemnified Party in respect of such Claim and such Indemnified Party shall reimburse any funds advanced by the Issuer to the Indemnified Party pursuant to this indemnity in respect of such Claim.

15.3 If any Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Issuer, the Indemnified Party will give the Issuer prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Issuer will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected and the payment of all reasonable expenses. Failure by the Indemnified Party to so notify shall not relieve the Issuer of their obligation of indemnification hereunder. No admission of liability and no settlement, compromise or termination of any Claim, or investigation shall be made without the consent of the Issuer and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld or delayed.

15.4 Notwithstanding that the Issuer will undertake the investigation and defence of any Claim, the Indemnified Parties will have the right to employ one separate counsel in each applicable jurisdiction with respect to such Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Parties unless:

- (a) employment of such counsel has been authorized in writing by the Issuer;
- (b) the Issuer has not assumed the defence of the action within a reasonable period of time after receiving notice of the Claim;
- (c) the named parties to any such Claim include the Issuer, and any of the Indemnified Parties, and the Indemnified Parties shall have been advised by counsel to the Indemnified Parties that there may be a conflict of interest between the Issuer and any Indemnified Party; or
- (d) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Issuer, as the case maybe,

in which case such reasonable fees and expenses of such counsel to the Indemnified Parties will be for the account of the Issuer. The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights the Indemnified Parties may have at common law or otherwise. Without limiting the generality of the foregoing, this Indemnity shall apply to all reasonable

expenses (including legal expenses), losses, claims and liabilities that the Agent may incur as a result of any action, suit, proceeding or claim that may be threatened or brought against the Issuer.

15.5 If and to the extent that a court of competent jurisdiction, in a final non-appealable judgement finds that indemnification is not available under this Agreement (other than in accordance with the terms hereof) then the Issuer and each Indemnified Party will contribute to the losses, claims, damages, liabilities or expenses for which such indemnification is held unavailable in such proportion as is appropriate to reflect not only the relative benefits received by of the Issuer, on the one hand, and each respective the Indemnified Party on the other hand, but also the relative fault of the parties and other equitable considerations which may be relevant.

15.6 The Issuer hereby constitutes the Agent as trustee for each of the other Indemnified Parties of the covenants of the Issuer under this indemnity with respect to such persons and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

15.7 The Issuer agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Issuer or any person asserting claims on its behalf or in right for or in connection with the performance of services rendered by the Agent under this Agreement, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Issuer are determined by a court of competent jurisdiction in a final judgement (in a proceeding in which an Indemnified Party is named as a party) that has become non-appealable to have been caused by or resulted from the gross negligence or bad faith of such Indemnified Party.

15.8 The indemnity and contribution obligations of the Issuer shall be in addition to any liability which the Issuer may otherwise have shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Issuer and any Indemnified Party. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of this Agreement.

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

16.1 The Agent will not assign this Agreement or any of its rights under this Agreement or, with respect to the Securities, enter into any agreement in the nature of an option or a sub-option unless and until, for each intended transaction, the Agent has obtained the consent of the Issuer and notice has been given to and accepted by the Regulatory Authorities.

16.2 The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the Agent's Fee to be received by the Agent pursuant to this Agreement; provided, however, that the Issuer shall not be responsible for the payment or issuance of additional commissions, fees or warrants to such selling group participants.

## **17. NOTICE**

17.1 Any notice under this Agreement will be given in writing and must be delivered, sent by electronic transmission or mailed by prepaid post and addressed to the party to which notice is

to be given at the address indicated below, or at another address designated by such party in writing.

(a) If to the Issuer:

**JUSTIFY CAPITAL CORP.**  
595 Burrard Street, Suite 1703,  
Vancouver, BC, V7X 1J1

Attention Richard Graham  
Email: graham@earlston.ca

*with a copy to:*

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 3<sup>rd</sup> Avenue  
Calgary, AB, T2P 0R3

Attention: Melinda Park  
Email: mpark@blg.com

(b) If to the Agent:

**HAYWOOD SECURITIES INC.**  
Bay Wellington Tower, Brookfield Place, Suite 2910  
181 Bay Street, Toronto, ON, M5J 2T3  
Attention: Campbell Becher  
Email: Managing Director

*with a copy to:*

Peterson McVicar LLP  
18 King Street East, Suite 902  
Toronto, ON M5C 1C4  
Attention: Andrey Shamis  
Email: ashamis@petelaw.com

17.2 Any notice sent by electronic transmission will be deemed to have been given at the time of transmission if such transmission is completed during normal business hours, otherwise it will be deemed to have been given on the next business day.

17.3 If notice is mailed, it will be deemed to have been received 48 hours following the date of mailing of the notice.

17.4 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed, the notice will be sent by electronic transmission or will be delivered.

**18. TIME**

Time is of the essence of this Agreement.

**19. SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

The representations, warranties, covenants and indemnities of the parties contained in this Agreement will survive the Closing of the transactions contemplated herein.

**20. LANGUAGE**

Wherever a singular or masculine expression is used in this Agreement, that expression is deemed to include the plural, feminine or the body corporate where required by the context.

**21. ENUREMENT**

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

**22. HEADINGS**

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

**23. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement and supersedes any other previous agreement between the parties with respect to the subject matter hereof and there are no other terms, conditions, representations or warranties whether express, implied, oral or written by the Issuer or the Agent.

**24. CURRENCY**

Unless otherwise specified, all references to “\$” or currency used herein refers to the lawful currency of Canada.

**25. COUNTERPARTS**

This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

**26. LAW**

This Agreement and its application and interpretation will be governed exclusively by the laws prevailing in the province of British Columbia, and the federal laws of Canada applicable therein. The parties to this Agreement consent to the jurisdiction of the courts of British Columbia, which courts shall have exclusive jurisdiction over any dispute of any kind arising out of or in connection with this Agreement.

*[the remainder of this page is intentionally left blank]*

This Agreement was executed and delivered as of the date given above.

**JUSTIFY CAPITAL CORP.**

Per: "Richard A. Graham"  
Name: Richard A. Graham  
Title: President, CEO, CFO, Secretary

**HAYWOOD SECURITIES INC.**

Per: "Mathieu Couillard"  
Name: Mathieu Couillard  
Title: Director