

AGENCY AGREEMENT

August 22, 2018

High Tide Ventures Inc.
2634 45 Avenue SE #149
Calgary, Alberta T2B 3M1

Attention: Raj Grover, Chief Executive Officer

Dear Mr. Grover:

Re: Private Placement of Special Warrants

The undersigned, Canaccord Genuity Corp. (the “**Lead Agent**”), Mackie Research Capital Corporation and Laurentian Bank Securities Inc. (collectively with the Lead Agent, the “**Agents**”) understand that High Tide Ventures Inc. (the “**Company**”) proposes to undertake a private placement of up to 7,246,377 special warrants (the “**Special Warrants**”) of the Company at a price of \$1.38 per Special Warrant (\$0.50 on a post-Share Split basis (as defined below)) (the “**Issue Price**”) for gross proceeds of up to \$10,000,000 (the “**Offering**”). The Offering may be completed in one or more tranches. The Special Warrants will be duly and validly created and issued pursuant to, and governed by, a special warrant indenture (the “**Special Warrant Indenture**”) to be entered into on the Initial Closing Date (as defined herein) between the Company and AST Trust Company (Canada), as the special warrant agent (the “**Special Warrant Agent**”). Each Special Warrant will entitle the holder thereof to acquire one Unit (as defined below) of the Company without payment of additional consideration, subject to adjustment as provided in the Special Warrant Indenture. The Special Warrants will be deemed to be exercised on the earlier of: (i) the fifth Business Day after the Qualification Date (as defined herein), and (ii) the Qualification Deadline (as defined herein). The description of the Special Warrants in this Agreement is a summary only and is subject to the specific attributes and detailed provisions of the Special Warrants to be set forth in the Special Warrant Indenture. In the case of any inconsistency between the description of the Special Warrants in this Agreement and their terms and conditions as set forth in the Special Warrant Indenture, the provisions of the Special Warrant Indenture will govern.

Subsequent to the Initial Closing Date, the Company intends to effect a share split of its issued and outstanding Common Shares on a one-old-for-2.76-new basis (the “**Share Split**”). All references to Special Warrants and underlying securities of the Company issuable pursuant to the Offering are made on a pre-Share Split basis.

Notwithstanding the foregoing, in the event the Qualification Date has not occurred prior to 5:00 p.m. (Toronto time) on the date which is 90 days following the Initial Closing Date, each Special Warrant which has not been exercised prior to that time will thereafter entitle the holder to acquire 1.1 Units (instead of one Unit) without further payment (the additional 0.1 Units are collectively referred to herein as the “**Penalty Units**”); provided, however, that any fractional entitlement to Penalty Units will be rounded down to the nearest whole Penalty Unit. Unless the context otherwise requires, any reference herein to “Units” shall include any Penalty Units issued by the Company in accordance with the terms of the Special Warrant Indenture.

Each unit (a “**Unit**”) to be issued upon exercise of the Special Warrants shall consist of one Common Share (as defined herein) of the Company (a “**Unit Share**”) and one-half of one Common Share purchase warrant (each full Common Share purchase warrant, a “**Warrant**”). Each Warrant shall entitle the holder thereof to acquire one Common Share (each a “**Warrant Share**”, and collectively the “**Warrant Shares**”), at a price of \$2.07 (\$0.75 on a post-Share Split basis) per Warrant Share until 5:00 p.m. (Toronto time) on the date (the “**Warrant Expiry Date**”) that is 24 months following the Listing Date (as defined herein). Provided, however, that in the event that the daily volume weighted average trading price (or closing bid price on days when there are no trades) of the Common Shares on the Exchange (as defined herein) (or such other stock exchange on which the Common Shares may become traded) is at least \$3.45 per Common Share (\$1.25 on a post-Share Split basis) for a minimum of 10 consecutive trading days, the Company may, upon giving written notice to the holders, within ten Business Days of the end of such period of 10 trading days, accelerate the Warrant Expiry Date to a date which is not less than 30 days after the date of delivery of such written notice. The Warrants issuable upon exercise of the Special Warrants will be created and issued pursuant to, and governed by, a warrant indenture (the “**Warrant Indenture**”) to be entered into on the Initial Closing Date between the Company and AST Trust Company (Canada), as the warrant agent (the “**Warrant Agent**”). The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture. In the case of any inconsistency between the description of the Warrants in this Agreement and their terms and conditions as set forth in the Warrant Indenture, the provisions of the Warrant Indenture will govern.

In addition, the Company hereby grants the Agents an option (the “**Over-Allotment Option**”) to increase the size of the Offering by up to an additional 3,623,188 Special Warrants (the “**Additional Special Warrants**”) at the Issue Price. The Over-Allotment Option shall be exercisable, in whole or in part by giving written notice of the exercise of the Over-Allotment Option, or a part thereof, to the Company at any time prior to the Closing Time. Unless the context otherwise requires, references to “Special Warrants” means all of the Special Warrants issued pursuant to the Offering, including any Additional Special Warrants issued pursuant to the exercise of the Over-Allotment Option.

In consideration of the Agents’ services to be rendered in connection with the Offering, the Company agrees to pay to the Agents on Closing of the Offering: (i) a commission (the “**Agents’ Commission**”) equal to 6.5% of the aggregate gross proceeds realized by the Company in respect of the sale of the Special Warrants under the Offering, which shall be payable in either cash or Special Warrants at the Issue Price, or any combination thereof at the option of the Agents; and (ii)) an additional cash fee, to be determined by the Company and the Agents, acting reasonably, in connection with the managing the Offering (the “**Additional Cash Fee**”). In addition, the Company agrees to issue to the Agents on Closing: (i) that number of broker warrants (the “**Broker Warrants**”) equal to 6.5% of the number of Special Warrants sold pursuant to the Offering; and (ii) an additional number of Broker Warrants, to be determined by the Company and the Agents, acting reasonably, in connection with the managing the Offering. Each Broker Warrant will entitle the holder to purchase, at the Issue Price, one Unit at any time prior to 5:00 p.m. (Toronto time) on the date which is 24 months following the Listing Date, pursuant to the terms of the Broker Warrant Certificate (as defined herein).

The Agents will be entitled to reimbursement of certain of their expenses, including the reasonable fees and disbursements of the Agents' Canadian legal counsel (where any such counsel is retained by us), which legal fees shall be capped at \$150,000 plus disbursements and taxes, or such higher amount as may be agreed between the Company and the Lead Agent (the "**Agents' Expenses**"). The Agents' Commission, Additional Cash Fee and the Agents' Expenses shall be payable at the Closing Time, and may be deducted by the Agents from the gross proceeds of the Offering.

Subject to the terms and conditions contained in this Agreement, the Company hereby appoints the Agents to act as the sole and exclusive agents to the Company, and the Agents hereby agree to act as the agents of the Company, to effect the sale of the Special Warrants on behalf of the Company on a "best efforts" basis to Purchasers resident in the Selling Jurisdictions (as defined herein), through private placements or other offerings on an exempt basis and provided that the Company shall not become obligated to file a registration statement or prospectus in any jurisdiction except as provided herein. It is understood and agreed that the Agents are under no obligation to purchase any of the Special Warrants, although the Agents may subscribe for Special Warrants if they so desire.

The Agents shall be entitled to appoint other registered dealers as selling group members to assist in the Offering and the Agents shall determine the remuneration payable to such other dealers, such remuneration to be the sole responsibility of the Agents.

The additional terms and conditions of this agency agreement (the "**Agreement**") are set forth below.

1. DEFINITIONS

1.1 In this Agreement, including any schedules forming a part of this Agreement:

- (a) "**Additional Cash Fee**" has the meaning given to that term on page 1 of this Agreement;
- (b) "**Additional Closing Date(s)**" means the dates on which additional closings may occur;
- (c) "**Additional Special Warrants**" has the meaning given to that term on page 2 of this Agreement;
- (d) "**Agents**" has the meaning given to that term on page 1 of this Agreement;
- (e) "**Agents' Commission**" has the meaning given to that term on page 2 of this Agreement;
- (f) "**Agents' Counsel**" means Borden Ladner Gervais LLP;

- (g) “**Agents’ Expenses**” has the meaning given to that term on page 2 of this Agreement;
- (h) “**Agreements and Instruments**” has the meaning given to that term in section 4.1(cc);
- (i) “**Applicable Anti-Corruption Legislation**” has the meaning given to that term in subsection 4.1(rr) of this Agreement;
- (j) “**Applicable Securities Laws**” means, collectively, and as the context may require, all applicable securities laws in each Selling Jurisdiction and the respective regulations, rules, policies, instruments, notices and orders issued by the applicable Regulatory Authorities and the securities laws of the United States and any state of the United States in which the Special Warrants are offered for sale;
- (k) “**Authorizations**” means any regulatory licences, approvals, conditional use permits, permits, approvals, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Authority under applicable laws;
- (l) “**Benefit**” has the meaning given to that term in subsection 4.1(rr) of this Agreement;
- (m) “**Broker Warrant**” has the meaning given to that term on page 2 of this Agreement;
- (n) “**Broker Warrant Certificate**” means the certificate evidencing the terms and conditions of the Broker Warrants, which shall be substantially in the form attached hereto as Schedule “A”;
- (o) “**Claim**” has the meaning given to that term in section 12.1;
- (p) “**Closing Materials**” has the meaning given to that term in subsection 8.1(b)(ix) hereto;
- (q) “**Closing Time**” means 8:00 a.m. (Toronto time) on the Initial Closing Date or the Additional Closing Date, as applicable, or such other time as may be agreed to by the Company and the Lead Agent;
- (r) “**Commissions**” means the securities regulatory authorities (other than stock exchanges) of the Qualifying Provinces and “**Commission**” means the securities regulatory authority of a specified Qualifying Province;
- (s) “**Common Shares**” means the Class “A” common shares of the Company as constituted on the date hereof (and, for greater certainty, prior to giving effect to the Share Split);

- (t) “**Company**” has the meaning given to it on page 1 of this Agreement;
- (u) “**Company’s Counsel**” means Garfinkle Biderman LLP for matters relating to corporate law and securities law in Ontario and Hooey & Company Lawyers for matters relating to corporate law and securities law in Alberta;
- (v) “**Corporate Legal Opinion**” has the meaning given to it in Subsection 8.1(b)(iii);
- (w) “**Corporate Officer’s Certificate**” has the meaning given to it in Subsection 8.1(b)(vi);
- (x) “**Corporate Presentation**” means the corporate presentation of the Company prepared in connection with the Offering;
- (y) “**Due Diligence Session**” has the meaning given to it in Section 7.1;
- (z) “**Disclosure Documents**” means, collectively, all agreements, records, corporate documentation, financial, marketing, regulatory, sales and operational information provided by the Company to the Agents, including without limitation the Corporate Presentation and the Historical Subsidiary Financial Statements;
- (aa) “**Distribution**” (or “**distribute**” as derived therefrom) has the meaning given to that term in the *Securities Act* (Alberta);
- (bb) “**Due Diligence Session Responses**” means the written or oral responses of the Company, as given by any director or officer of the Company, at the Due Diligence Session;
- (cc) “**environmental laws**” has the meaning given to that term in subsection 4.1(uu) hereto;
- (dd) “**Engagement Letter**” means the engagement letter entered into between the Company and the Lead Agent dated June 21, 2018;
- (ee) “**Exchange**” means the Canadian Securities Exchange;
- (ff) “**Financial Statements**” means the audited and reviewed financial statements which are appended to the Prospectuses;
- (gg) “**Final Prospectus**” means the final long form prospectus of the Company and filed with the Commissions for the purpose of qualifying the distribution in each of the Qualifying Provinces of the Underlying Shares to be issued in the Offering and any Supplementary Material;
- (hh) “**Franchise Agreement**” means (i) any contract or agreement between Smoker’s Corner Ltd. and a Franchisee, including all addendums thereto, and (ii) any other

contract or agreement that constitutes a franchise agreement under applicable laws;

- (ii) "**Franchisees**" means, collectively, the franchisees of Smoker's Corner Ltd., as applicable, whether pursuant to applicable laws, a Franchise Agreement, or otherwise, and "**Franchisee**" means any one of them;
- (jj) "**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:
 - (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
 - (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

and "**Governmental Authority**" means any one of the Governmental Authorities;

- (kk) "**Historical Subsidiary Financial Statements**" means the audited consolidated financial statements of RGR Canada Inc., Smoker's Corner Ltd. and Famous Brandz Inc. with respect to the financial year ended October 31, 2017, together with the notes to such audited consolidated financial statements and the report of the auditors of the Company on such audited consolidated financial statements;
- (ll) "**IFRS**" means International Financial Reporting Standards;
- (mm) "**Indemnified Parties**" has the meaning given to that term in section 12.1 hereto;
- (nn) "**Initial Closing Date**" means August 22, 2018 or such other date as may be agreed to by the Company and the Lead Agent;
- (oo) "**Issue Price**" has the meaning given to it on page 1 of this Agreement;
- (pp) "**Lead Agent**" has the meaning given to it on page 1 of this Agreement;
- (qq) "**Legal Opinions**" has the meaning given to that term in subsection 8.1(b)(ii) hereto;
- (rr) "**Listing Date**" means the date the Underlying Shares are listed and begin trading on the Exchange;
- (ss) "**Material Adverse Effect**" or "**Material Adverse Change**" means (i) any effect or change on the Company or any Subsidiaries that is or is reasonably

likely to be materially adverse to the business, affairs, capital, operations, prospects, assets or liabilities (contingent or otherwise) of the Company and the Subsidiaries, taken as a whole, or (ii) any fact, or change that would result in any Offering Document containing a misrepresentation;

- (tt) “**material change**” has the meaning given to that term in the *Securities Act* (Alberta);
- (uu) “**material fact**” has the meaning given to that term in the *Securities Act* (Alberta);
- (vv) “**misrepresentation**” has the meaning given to that term in the *Securities Act* (Alberta);
- (ww) “**Money Laundering Laws**” has the meaning given to that term in subsection 4.1(qq) hereto;
- (xx) “**NP 11-202**” means National Policy 11-202 – Process for Prospectus Reviews in Multiple Jurisdictions;
- (yy) “**OFAC**” means the Office of Foreign Assets Control of the United States Treasury Department;
- (zz) “**Offering**” has the meaning given to that term on page 1 of this Agreement;
- (aaa) “**Offering Documents**” means, collectively, the Prospectuses and any Supplementary Material;
- (bbb) “**Officer’s Certificate**” has the meaning given to that term in subsection 8.1(b)(v) hereto;
- (ccc) “**Outstanding Warrants**” means the 413,379 existing warrants exercisable at a price of \$1.373 until May 1, 2020, 98,300 broker warrants exercisable at a price of \$1.00 until April 18, 2020, and 144,700 broker warrants exercisable at a price of \$1.00 until April 30, 2020, which were issued prior to the date hereof;
- (ddd) “**Over-Allotment Option**” has the meaning given to it on page 2 of this Agreement;
- (eee) “**Penalty Units**” has the meaning given to it on page 1 of this Agreement;
- (fff) “**Preliminary Prospectus**” means the preliminary long form prospectus of the Company and filed with the Commissions for the purpose of qualifying the distribution in each of the Qualifying Provinces of the Underlying Shares to be issued in the Offering;
- (ggg) “**Preliminary Receipt**” means the receipt issued by the Alberta Securities Commission, as principal regulator under NP 11-202, evidencing that a receipt

has been, or has deemed to be, issued for the Preliminary Prospectus in each of the Qualifying Provinces;

- (hhh) “**Prospectuses**” means collectively the Preliminary Prospectus and the Final Prospectus;
- (iii) “**Prospectus Review Procedures**” means the procedures of a prospectus review in multiple jurisdictions provided for under NP 11-202 and, other than for the Province of Ontario, Multilateral Instrument 11-102 *Passport System*;
- (jjj) “**Public Official**” has the meaning given to that term in subsection 4.1(rr) of this Agreement;
- (kkk) “**Purchasers**” means, collectively, the purchasers of the Special Warrants;
- (lll) “**Qualified Institutional Buyer**” means a U.S. Purchaser that is a “qualified institutional buyer” as defined in Rule 144A;
- (mmm) “**Qualification Date**” means the date on which the Company is issued a passport decision document evidencing a receipt on behalf of the securities regulatory authorities in each of the provinces of Canada in which a final prospectus is filed pursuant to Multilateral Instrument 11-102 *Passport System*, and which qualifies the Underlying Shares and Warrants;
- (nnn) “**Qualification Deadline**” means 4:59 p.m. (Toronto time) on the date that is four months and a day following the Initial Closing Date;
- (ooo) “**Qualifying Provinces**” means each of the provinces of Canada, other than Québec, to the extent that Purchasers reside in those provinces or territories;
- (ppp) “**Regulation D**” means Regulation D promulgated under the U.S. Securities Act;
- (qqq) “**Regulation S**” means Regulation S promulgated under the U.S. Securities Act;
- (rrr) “**Regulations**” means the securities rules or regulations proclaimed under the Acts and “**Regulation**” means the securities rules or regulations proclaimed under a specified Act;
- (sss) “**Regulatory Authorities**” means collectively the Commissions and the Exchange;
- (ttt) “**Rule 144A**” means Rule 144A under the U.S. Securities Act;
- (uuu) “**Selling Firms**” has the meaning given to that term in subsection 3.11 hereto;
- (vvv) “**Selling Jurisdictions**” means each of the provinces of Canada, and the United States and such other jurisdictions to which the Agents and the Company may agree and “**Selling Jurisdiction**” means any one of them;

- (www) “**Share Split**” has the meaning given to it on page 1 of this Agreement;
- (xxx) “**Special Warrant Indenture**” has the meaning given to it on page 1 of this Agreement;
- (yyy) “**Special Warrant Agent**” has the meaning given to it on page 1 of this Agreement;
- (zzz) “**Special Warrants**” has the meaning given to it on page 1 of this Agreement;
- (aaaa) “**Subsidiaries**” means RGR Canada Inc., Smoker’s Corner Ltd., Canna Cabana Inc., Famous Brandz Inc. and Kushbar Inc., and “**Subsidiary**” means any one of the Subsidiaries;
- (bbbb) “**Subscription Agreements**” means the subscription agreements, in the forms agreed upon by the Company and the Lead Agent, pursuant to which Purchasers agree to subscribe for and purchase Special Warrants;
- (cccc) “**Subsidiary Officer’s Certificate**” has the meaning given to that term in subsection 8.1(b)(viii) hereto;
- (dddd) “**Subsidiary Opinions**” has the meaning given to that term in subsection 8.1(b)(ii) hereto;
- (eeee) “**Supplementary Material**” means any documents supplemental to the Prospectuses including any amending or supplementary prospectus or other supplemental documents or similar documents;
- (ffff) “**trade**” has the meaning given to that term in the *Securities Act* (Alberta);
- (gggg) “**Underlying Shares**” means, collectively, the Unit Shares and the Warrant Shares;
- (hhhh) “**Unit Shares**” has the meaning given to it on page 1 of this Agreement and for greater certainty, includes the Common Shares included in the Units issuable upon exercise of the Additional Special Warrants and the Broker Warrants;
- (iiii) “**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (jjjj) “**U.S. Affiliate**” means the U.S. registered broker-dealer affiliate of the Agents;
- (kkkk) “**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations made thereunder;
- (llll) “**U.S. Fiduciary**” means a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States holding a discretionary account or similar account (other than an estate or trust) held for

the benefit of a person excluded from the definition of “U.S. Person” pursuant to paragraph (k)(2)(i) of Rule 902 of Regulation S, provided that the U.S. Fiduciary is acting solely in its capacity as the holder of such accounts;

(mmmm) “**U.S. Legal Opinion**” has the meaning given to that term in subsection 8.1(b)(ii) hereto;

(nnnn) “**U.S. Person**” means a U.S. person as that term is defined in Regulation S under the U.S. Securities Act;

(oooo) “**U.S. Purchaser**” means: (i) any person, other than a U.S. Fiduciary, resident in the United States who purchases Special Warrants; (ii) any U.S. Person who purchases Special Warrants; (iii) any person purchasing Special Warrants for the account or benefit of a U.S. Person or person in the United States; (iv) any person, other than a U.S. Fiduciary, that receives or received an offer of the Special Warrants while in the United States; or (v) any person, other than a U.S. Fiduciary, that is (or whose authorized signatory is) in the United States at the time its buy order is originated or a subscription agreement for Special Warrants is executed;

(pppp) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations made thereunder;

(qqqq) “**Warrant Agent**” has the meaning given to it on page 2 of this Agreement;

(rrrr) “**Warrant Expiry Date**” has the meaning given to it on page 2 of this Agreement;

(ssss) “**Warrant Indenture**” has the meaning given to it on page 2 of this Agreement; and

(tttt) “**Warrant Shares**” has the meaning given to it on page 1 of this Agreement and for greater certainty, includes the Common Shares issuable upon exercise of the Warrants included in the Units issuable upon exercise of the Additional Special Warrants and the Broker Warrants.

1.2 All references to dollar figures in this Agreement are to Canadian dollars.

2. APPOINTMENT OF AGENTS

2.1 The Company appoints the Agents as its exclusive agents to effect the Offering and each of the Agents accepts the appointment and agrees to act as agent for such purpose and to use its “best efforts” to effect the sale of Special Warrants on the Company’s behalf to Purchasers on the terms and conditions contained herein.

3. DISTRIBUTION AND CERTAIN OBLIGATIONS AND ACKNOWLEDGEMENTS OF THE AGENTS AND THE COMPANY

- 3.1 The Agents covenant and agree that they will only offer Special Warrants, solicit subscriptions for Special Warrants and sell the Special Warrants to Purchasers resident in or otherwise subject to the laws of, (as applicable) the Selling Jurisdictions; provided, that any such offer, solicitation or sale in the United States shall only be to Qualified Institutional Buyers.
- 3.2 The Agents covenant and agree to effect the sale of the Special Warrants to Purchasers in a manner exempt from any prospectus or offering memorandum filing or delivery requirements of Applicable Securities Laws and without the necessity of obtaining any order or ruling of the Regulatory Authorities in Canada. The Agents will notify the Company with respect to the identity and jurisdiction of residence of each Purchaser in the Offering as soon as practicable and with a view to affording sufficient time to allow the Company to secure compliance with all Applicable Securities Laws in connection with the sale of the Special Warrants to the Purchasers.
- 3.3 The Agents will obtain from each Purchaser in the Offering and deliver to the Company at least 48 hours in advance of Closing, a properly completed and duly executed Subscription Agreement, together with any additional documentation as may be reasonably requested by the Company.
- 3.4 The Agents acknowledge that the Company is not taking any steps to qualify the Underlying Shares or the Warrants for distribution with any securities authority outside of the Qualifying Provinces.
- 3.5 The Company covenants to use its commercially reasonable efforts to obtain all necessary regulatory approvals to complete the Offering.
- 3.6 No selling or promotional expenses will be paid or incurred in connection with the Offering, except for professional services or for services performed by a registered dealer, as provided for herein.
- 3.7 The Agents acknowledge that none of the Special Warrants, the Warrants, the Underlying Shares nor the Broker Warrants have been, and none of such securities will be, registered under the U.S. Securities Act or applicable securities laws of any state of the United States.
- 3.8 The Agents shall have the right to offer the Special Warrants in the United States to U.S. Purchasers that are Qualified Institutional Buyers pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) in accordance with a manner to be agreed upon between the Company and the Agents and in such other jurisdictions as are agreed upon between the Company and the Agents in which case such offer shall comply with applicable law. The Company and the Agents agree that any offers and sales of the Special Warrants in the United States will be made in a manner to be agreed upon between the Company and the Agents. Notwithstanding the foregoing, an Agent will not be liable to the Company under this section with respect

to a violation by another Agent or its U.S. Affiliate of the provisions of this section if the other Agent or its U.S. Affiliate, as applicable, is not itself also in violation.

- 3.9 Except as provided herein, the Agents have not entered and will not enter into any contractual arrangement with respect to the distribution of the Special Warrants except with their respective affiliates, any group members or with the prior written consent of the Company. The Agents shall cause each affiliate or group member participating in the distribution of the Special Warrants to agree, for the benefit of the Company, to the same provisions contained in this Section 3.9 as if such provisions applied to such persons.
- 3.10 The obligations of the Agents hereunder are several and not joint, nor joint and several. No Agent shall be liable hereunder with respect to any act, omission or conduct of any other Agent.
- 3.11 The Company agrees that the Agents will be permitted to appoint other registered dealers (or other dealers duly licensed in their respective jurisdictions) as their sub-agents (the “**Selling Firms**”) to assist in the Offering and that the Agents may determine the remuneration payable to such other dealers appointed by them. Such remuneration shall be payable by the Agents. The Company grants all of the rights and benefits of this Agency Agreement to any Selling Firm so appointed by the Agents and appoints the Agents as trustee of such rights and benefits for such Selling Firms, and the Agents hereby accept such trust and agree to hold such rights and benefits for and on behalf of such Selling Firms.
- 3.12 The Agents shall, and shall require any Selling Firm to agree to, comply with the Applicable Securities Laws in the Selling Jurisdictions in connection with the distribution of the Special Warrants and shall only offer the Special Warrants for sale upon the terms and conditions set out in this Agency Agreement and in compliance with Applicable Securities Laws.
- 3.13 The Agents shall obtain from each Subscriber an executed Subscription Agreement and all applicable forms required under Applicable Securities Laws.
- 3.14 The Agents shall not advertise the proposed offering or sale of the Special Warrants in printed media of general and regular paid circulation, radio or television or telecommunications (including electronic display).
- 3.15 The Company acknowledges that the Subscribers are relying on, and are entitled to the benefit of, the representations, warranties and covenants of the Company contained in this Agreement. The Company further acknowledges that the Corporate Presentation is an offering memorandum for the purposes of Applicable Securities Laws, and that the Subscribers shall be entitled under Applicable Securities Laws to the statutory rights of action for damages or rescission, as described in the Corporate Presentation, if the Corporate Presentation contains a misrepresentation (as defined in Applicable Securities Laws).

4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

4.1 The Company represents and warrants to the Agents, and acknowledges that the Agents are relying upon such representations and warranties in entering into this Agreement, that:

- (a) the Company has been duly incorporated and is validly existing and in good standing under the *Business Corporations Act* (Alberta), and no proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of the Company;
- (b) with the exception of Kushbar Inc., all of the issued and outstanding shares of each of the Subsidiaries are, directly or indirectly, legally and beneficially owned by the Company, free and clear of all liens, charges and encumbrances of any kind whatsoever;
- (c) the Subsidiaries are the only subsidiaries or affiliates of the Company, and each of the Subsidiaries has been duly incorporated and is validly existing and in good standing under the laws of its jurisdiction of incorporation, and no proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of any of the Subsidiaries;
- (d) the form and terms of each of the Special Warrant Indenture, the Warrant Indenture and the Broker Warrant Certificate have been, or prior to the Initial Closing Date will have been, duly approved by the Company and comply or will comply with the provisions of the *Business Corporations Act* (Alberta) and the Company's articles of incorporation and by-laws;
- (e) the form of the certificate representing the Common Shares has been duly approved by the Company and complies with the provisions of the *Business Corporations Act* (Alberta) as well as the Company's articles of incorporation and by-laws;
- (f) the Company is not a reporting issuer or the equivalent in any jurisdiction, and is not in default of any material requirement of Applicable Securities Laws;
- (g) the Common Shares of the Company are not listed and posted for trading on any stock exchange and the Company has not as at the date hereof made any application to any stock exchange for listing of its Common Shares;
- (h) no shareholders agreement or similar agreement affecting the business, affairs or governance of the Company or the rights of shareholders of the Company (including, without limitation, the ability of such shareholders to transfer or vote their shares of the Company) exists;
- (i) as of the date hereof, the authorized share capital of the Company consists of an unlimited number of Common Shares without par value of which 54,692,000

Common Shares are issued and outstanding, and all of the issued and outstanding Common Shares are fully paid and non-assessable and have been duly and validly authorized and issued in compliance with applicable laws;

- (j) other than the shareholders agreement affecting Kushbar Inc. and an aggregate of 656,379 Common Shares issuable pursuant to the exercise of Outstanding Warrants, no person, firm or corporation has any agreement, option, right or privilege, whether pre-emptive, contractual or otherwise, capable of becoming an agreement for the purchase, acquisition, subscription for or issuance of any of the unissued shares of the Company or any Subsidiary, or other securities convertible, exchangeable or exercisable for shares of the Company or any Subsidiary;
- (k) the Company and each of the Subsidiaries has the corporate power and capacity to own the assets owned by it and to carry on the business carried on and proposed to be carried on by it;
- (l) the Company and each of the Subsidiaries has good title to its respective material assets as disclosed in the Disclosure Documents, free and clear of all material liens, charges and encumbrances of any kind whatsoever;
- (m) the Company has all requisite corporate power and authority to enter into this Agreement, the Subscription Agreements, the Special Warrant Indenture, the Warrant Indenture and the Broker Warrant Certificates and to perform the transactions contemplated hereby and thereby, and this Agreement has been, and each of the Subscription Agreements, the Special Warrant Indenture, the Warrant Indenture and the Broker Warrant Certificates will be, duly executed and delivered by the Company and this Agreement is, and the Subscription Agreements, Special Warrant Indenture, the Warrant Indenture and the Broker Warrant Certificates will upon execution and delivery in accordance with the terms hereof be, a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject only to applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally;
- (n) the Unit Shares and Warrants comprising the Units issuable upon exercise of the Special Warrants and the Broker Warrants (as the case may be) have been authorized and reserved and allotted for issuance, as applicable;
- (o) when issued by the Company in accordance with the terms of the Special Warrant Indenture, the Warrant Indenture or the Broker Warrant Certificate (as the case may be), the Underlying Shares shall be duly issued as fully paid and non-assessable Common Shares, and shall have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions attaching to the Common Shares;

- (p) no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of any court or governmental authority or agency in Canada or the United States is necessary or required for the performance by the Company of its obligations hereunder, in connection with the Offering in the Selling Jurisdictions, or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained, or as may be required, under Applicable Securities Laws;
- (q) the Company and the Subsidiaries have each complied and will comply in all material respects with the requirements of all applicable corporate and securities laws and administrative policies and directions, and in all matters relating to the Offering and the issuance of the Company's securities thereunder;
- (r) as of each date the Corporate Presentation was provided to Subscribers, and as of the date hereof, the Corporate Presentation did not and does not contain a misrepresentation (as defined in Applicable Securities Laws);
- (s) as of June 20, 2018 and as of the date hereof, the underlying factors and assumptions relating to the forward-looking information, financial outlook and future-oriented financial information set out in the Corporate Presentation were and are reasonable;
- (t) except as provided herein, there is no person, firm or corporation which has been engaged by the Company to act for the Company and which is entitled to any brokerage or finder's fee in connection with this Agreement or the transactions contemplated hereunder;
- (u) the descriptions of the securities of the Company in the Prospectuses will be true, complete and accurate descriptions, in all material respects, of the rights, privileges, restrictions, terms and conditions attaching to such securities;
- (v) the Prospectuses will be prepared and filed in compliance in all material respects with the Applicable Securities Laws of the Qualifying Provinces, and the Final Prospectus will comply in all material respects with the Applicable Securities Laws of the Qualifying Provinces;
- (w) the Prospectuses, including any and all amendments thereto, will not contain any misrepresentation, will contain full, true and plain disclosure of all material facts relating to the Company and the securities to be issued pursuant to the Offering and will comply, in all material respects, with Applicable Securities Laws of the Qualifying Provinces;
- (x) the Financial Statements and all notes thereto will (i) comply in all material respects with the requirements of applicable laws (ii) present fairly, in all material respects, the financial position of the Company and its financial performance and its cash flows and other information purported to be shown therein at the respective dates and for the respective periods to which they apply, (iii) have been prepared in accordance with IFRS, consistently applied

throughout the period covered thereby, and all adjustments necessary for a fair presentation of the results for such periods have been made in all material respects, and (iv) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Company;

- (y) The Company has advised its director and officers about:
 - (i) the nature and scope of their responsibilities and duties as director and officers, respectively, of a public corporation listed on the Exchange; and
 - (ii) the obligations of the Company to prepare, file, publish and disseminate, as applicable, such information and documentation as may be required by the Applicable Securities Laws;
- (z) AST Trust Company (Canada), at its principal office in Calgary, Alberta, will be duly appointed as registrar and transfer agent for the Common Shares;
- (aa) the Special Warrant Agent, at its principal office in Calgary, Alberta, has been duly appointed as warrant agent for the Special Warrants;
- (bb) the Warrant Agent, at its principal office in Calgary, Alberta, has been duly appointed as warrant agent for the Warrants;
- (cc) neither the Company nor any of the Subsidiaries is currently or, based on the planned and future operations of the Company and Subsidiaries, foresees the potential to be in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease, license or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of the Subsidiaries is subject (collectively, “**Agreements and Instruments**”). The execution, delivery and performance of this Agreement, the Subscription Agreements, the Special Warrant Indenture, the Warrant Indenture and the Broker Warrant Certificate, and the consummation of the transactions contemplated herein and therein, as well as in the Offering Documents (including the authorization, issuance, sale and delivery of the Special Warrants and the Broker Warrants, and the use of the proceeds from the sale of the Special Warrants, if any, as described in the Offering Documents under the caption “**Use of Proceeds**”) and compliance by the Company with its obligations hereunder, do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien upon any property or assets of the Company or any of the Subsidiaries pursuant to the Agreements and Instruments, nor will such action result in any violation or conflict with the provisions of the constating documents of the Company or any of the Subsidiaries or any existing applicable law, statute, rule, regulation, judgment,

order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries of their assets, properties or operations, except for such violations or conflicts that would not, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect;

- (dd) the minute books and corporate records of the Company and the Subsidiaries made available to counsel for the Agents in connection with its due diligence investigation of the Company and the Subsidiaries for the period from the date of their incorporation to the date of this Agreement are all of the minute books and corporate records of the Company and the Subsidiaries from incorporation to present to the date of review of such records and minute books and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Company and the Subsidiaries from their date of incorporation to the date of review of such corporate records and minute books other than those meetings, resolutions or proceedings of the shareholders, directors, or any committees of the directors of the Company or the Subsidiaries which are not material to the Company and the Subsidiaries, taken as a whole, or otherwise dealt with matters not out of the ordinary course of business of the Company;
- (ee) there are no off-balance sheet transactions, arrangements, obligations or liabilities of the Company or its Subsidiaries whether direct, indirect, absolute, contingent or otherwise;
- (ff) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance: (i) that transactions are completed in accordance with the general or a specific authorization of management or directors of the Company; (ii) that transactions are recorded as necessary to permit the preparation of the financial statements for the Company in conformity with IFRS and to maintain asset accountability; (iii) that access to assets of the Company is permitted only in accordance with the general or a specific authorization of management or directors of the Company; (iv) that the recorded accountability for assets of the Company is compared with the existing assets of the Company at reasonable intervals and appropriate action is taken with respect to any differences therein; and (v) regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements or interim financial statements;
- (gg) neither the Company nor its Subsidiaries have guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation whatsoever;
- (hh) none of the directors, officers or shareholders of the Company or its Subsidiaries is indebted to or under any obligation to the Company or the Subsidiaries, in any material respect;

- (ii) the Historical Subsidiary Financial Statements have been prepared in conformity with Canadian IFRS applied on a consistent basis throughout the periods involved, contain no misrepresentations and present fairly in all material respects the financial position, results of operations and cash flows of RGR Canada Inc., Smoker's Corner Ltd. and Famous Brandz Inc. on a consolidated basis as at the date of the Historical Subsidiary Financial Statements;
- (jj) for the nine month period ended July, 31, 2018:
 - (i) the gross revenue of the Company and the Subsidiaries, on a consolidated basis, was not less than \$5,600,000;
 - (ii) the gross margin of the Company and the Subsidiaries, on a consolidated basis, was not less than \$3,900,000;
 - (iii) the net income of the Company and the Subsidiaries, on a consolidated basis, was not less than \$400,000;
- (kk) as of July 31, 2018:
 - (i) the total assets of the Company and the Subsidiaries, on a consolidated basis, was not less than \$7,000,000;
 - (ii) the total debt, including accounts payable, of the Company and the Subsidiaries, on a consolidated basis, did not exceed \$3,000,000;
- (ll) since October 31, 2017, there has not been any Material Adverse Change or any damage, loss or other change of any kind whatsoever in circumstances materially affecting its business, affairs, capital, prospects or assets, or the right or capacity of the Company or any of its Subsidiaries to carry on its business, such business having been carried on in the ordinary course;
- (mm) there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the Company's knowledge, pending or threatened against the Company or any of the Subsidiaries, or to the Company's knowledge, its directors or officers at law or in equity or before or by any Governmental Authority and, to the Company's knowledge, there is no basis therefor;
- (nn) other than as disclosed to the Agents in the Disclosure Documents, neither the Company nor any Subsidiary has received any correspondence of notice from any Governmental Authority, that has not been addressed to the applicable Governmental Authority's satisfaction, alleging or asserting material non-compliance with any applicable law;
- (oo) none of the Company, the Subsidiaries nor any of their directors or officers are in breach of any law, ordinance, statute, regulation, by-law, order or decree of

any kind whatsoever where non-compliance would have a Material Adverse Effect;

- (pp) other than the 2017 and 2018 tax returns for Famous Brandz Inc., the Company and each Subsidiary has filed in a timely manner all necessary tax returns and notices that are due and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and none of the Company or any Subsidiary is aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it would have a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by any of them or the payment of any material tax, governmental charge, penalty, interest or fine against any of them. There are no material actions, suits, proceedings, investigations or claims now threatened or, to the best knowledge of the Company, pending against the Company or any Subsidiary which could result in a material liability in respect of taxes, charges or levies of any Governmental Authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any Governmental Authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Company or any Subsidiary has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation;
- (qq) the operations of the Company are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes in all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court of governmental authority or any arbitrator non-governmental authority involving the Company with respect to the Money Laundering Laws is, to the knowledge of the Company, pending or threatened;
- (rr) neither the Company nor any Subsidiary or any director, officer, agent or employee of the Company or a Subsidiary on behalf of the Company or any Subsidiary nor, to the knowledge of the Company has, in order to obtain or retain an advantage in the course of business, directly or indirectly, made or authorized any contribution, payment or promise to make payment of any money, gift, loan, reward, advantage or benefit of any kind (collectively a “**Benefit**”) to:

- (i) any employee, official or agent of any governmental or regulatory agency, authority or instrumentality;
- (ii) any person who holds a legislative, administrative or judicial position with any governmental or regulatory agency, authority or instrumentality;
- (iii) any employee, director or officer of a (a) wholly or partially (20% or greater) state owned or state controlled corporation or other body or (b) corporation or other body that is established to perform a duty or function on behalf of a state or is performing such a duty or function;
- (iv) any member of a political party or candidate for public office; or
- (v) any employee, official or agent of a public international organization, ((a) through (e) each being a "**Public Official**");

to (a) influence an act or omission of a Public Official in connection with the performance of his or her duties or functions, (b) induce a Public Official to influence any act or decision of the State or public international organization for which the Public Official performs duties or functions or (c) where the Benefit would be prohibited under the Corruption of Foreign Public Officials Act (Canada), Criminal Code (Canada), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) or the rules and regulations promulgated under any such legislation or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Company ("**Applicable Anti-Corruption Legislation**");

- (ss) that the Company will not, in order to obtain or retain an advantage in the course of business, directly or indirectly, authorize, offer or provide (and will direct the Subsidiaries to do the same) any Benefit to a Public Official in order to: (a) influence an act or omission of the Public Official in connection with the performance of his or her duties or functions; or (b) induce the Public Official to influence any act or decision of the state or public international organization for which that Public Official performs duties or functions, nor will the Company do anything directly or indirectly or allow, authorize or acquiesce to anything being done on its behalf that is contrary to Applicable Anti-Corruption Legislation, as the same may be amended from time to time. The Company further warrants that it will take all measures that would be commercially reasonable for a Canadian publicly traded company of a similar size with a robust compliance program and operations in countries with significant perception of corruption to ensure that any contractors or consultants representing or acting on behalf of the Company strictly adhere to Applicable Anti-Corruption Legislation, as the same may be amended from time to time;
- (tt) neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company is currently subject to any United States sanctions administered by the Office of

Foreign Assets Control of the United States Treasury Department (“**OFAC**”); and the Company will not knowingly, directly or indirectly, use the proceeds of the Offering, or knowingly lend, contribute or otherwise make available such proceeds to any joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any United States sanctions administered by OFAC;

- (uu) none of the Company nor any of the Subsidiaries has any knowledge of a violation of, in connection with the ownership, use, maintenance or operation of its property and assets, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, permits, licenses, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, “**environmental laws**”). Without limiting the generality of the foregoing:
 - (i) each of the Company, and to the best of the Company’s knowledge, the Subsidiaries has occupied its properties and has received, handled, used, stored, treated, shipped and disposed of all pollutants, contaminants, hazardous or toxic materials, controlled or dangerous substances or wastes in compliance with all applicable environmental laws and has received all permits, licenses or other approvals required of them under applicable environmental laws to conduct their respective businesses; and
 - (ii) there are no orders, rulings or directives issued against the Company or any of the Subsidiaries, and to the best of the Company’s knowledge, there are no orders, rulings or directives pending or threatened against the Company or any of the Subsidiaries under or pursuant to any environmental laws requiring any work, repairs, construction or capital expenditures with respect to any property or assets of the Company;
- (vv) no notice with respect to any of the matters referred to in the immediately preceding paragraph, including any alleged violations by the Company or any of the Subsidiaries with respect thereto has been received by the Company or any of the Subsidiaries and no writ, injunction, order or judgment is outstanding, and no legal proceeding under or pursuant to any environmental laws or relating to the ownership, use, maintenance or operation of the property and assets of the Company or any of the Subsidiaries is in progress, threatened or, to the best of the Company’s knowledge, pending, which would have a Material Adverse Effect and to the best of the Company’s knowledge there are no grounds or conditions which exist, on or under any property now or previously owned, operated or leased by the Company or any of the Subsidiaries, on which any such legal proceeding might be commenced with any reasonable likelihood of success or with the passage of time, or the giving of notice or both, would give rise;

- (ww) all operations of the Company and the Subsidiaries have been and continue to be conducted in accordance with good industry practices and are in material compliance with all applicable laws, including, but not limited to, the federal Cannabis Act and regulations as well as the Alberta Gaming, Liquor and Cannabis Act and regulations;
- (xx) all planned and future operations of the Company and the Subsidiaries will be conducted in accordance with good industry practices and in material compliance with all applicable laws, including, but not limited to, the federal Cannabis Act and regulations as well as the Alberta Gaming, Liquor and Cannabis Act and regulations;
- (yy) the Company is not aware of any pending legislation or regulation not currently in force, including the Cannabis Control (Saskatchewan) Act and regulations, which it reasonably expects would have a Material Adverse Effect;
- (zz) other than the ban on branded paraphernalia in Canada, the Company is not aware of any proposed material changes to existing legislation, or proposed legislation published by a legislative body, which it reasonably expects would result in a Material Adverse Change;
- (aaa) to the best of the Company's knowledge as at the date hereof and under current applicable laws, the Company and the Subsidiaries have obtained and are in compliance with all Authorizations to permit them to conduct their business as currently conducted or currently proposed to be conducted. All of the Authorizations issued to date are valid and in full force and effect and neither the Company nor any Subsidiary have received any correspondence or notice from any Governmental Authority alleging or asserting material non-compliance with any applicable laws or Authorizations. Neither the Company nor any Subsidiary have received any notice of proceedings or actions relating to the revocation, suspension, limitation or modification of any Authorizations or any notice advising of the refusal to grant any Authorization that has been applied for or is in process of being granted and has no knowledge or reason to believe that any such Governmental Authority is considering taking or would have reasonable ground to take any such action;
- (bbb) the Company has not approved or entered into any agreement in respect of, or has any knowledge of:
 - (i) the purchase of any material property or assets or any interest therein or, other than as disclosed in the Disclosure Documents, the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company whether by asset sale, transfer of shares or otherwise;

- (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Company or otherwise) of the Company; or
 - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the shares of the Company;
- (ccc) with respect to any leased premises, the Company and each Subsidiary, as applicable, has the exclusive right to occupy and use the leased premises and each of the leases pursuant to which the Company or such Subsidiary, as applicable, occupies the leased premise is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Company or such Subsidiary, as applicable, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases;
- (ddd) each of the agreements and other documents and instruments pursuant to which the Company, either directly or indirectly through the Subsidiaries, holds its assets (including any interest in, or right to earn an interest therein) is a valid and subsisting agreement, document or instrument in full force and effect, enforceable against the Company or the Subsidiaries, as applicable, in accordance with the terms thereof; neither the Company nor any Subsidiary is in default of any of the material provisions of any such agreement, document or instrument nor has any such default been alleged and the Company's properties and assets (including the properties and assets of the Subsidiaries) are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated; all material leases, licences and claims pursuant to which the Company or the Subsidiaries derive the interests in such properties and assets are in good standing and, to the knowledge of the Company, there has been no material default under any such lease, licence or claim. None of the leases, licences or claims pursuant to which the Company or the Subsidiaries derive their interests are subject to any right of first refusal or purchase or acquisition right which has not been disclosed to the Agents;
- (eee) all operations of the Company and the Subsidiaries have been conducted in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and policies. The Company and each Subsidiary has security measures and safeguards in place to protect personal information it collects from customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Company and the Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and neither has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws,

whether collected directly or from third parties, in an unlawful manner. The Company and the Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse;

- (fff) the Company, either directly or indirectly through the Subsidiaries, is the legal and beneficial owner of, and has good and marketable title to, its assets as disclosed to the Agents; and except as disclosed to the Agents, such interests are free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and the Company does not know of any claim or the basis for any claim that would have a material effect on the right to use, transfer or otherwise exploit such property rights;
- (ggg) none of the Company, the Subsidiaries nor, to the knowledge of the Company, any of their employees or agents have made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States, federal, provincial or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws, in a manner that would reasonably be expected to have a Material Adverse Effect;
- (hhh) no material labour dispute with the employees of the Company or the Subsidiaries currently exists or, to the knowledge of the Company is imminent. None of the Company nor the Subsidiaries is a party to any collective bargaining agreement and, to the knowledge of the Company, no action has been taken or is contemplated to organize any employees of the Company or the Subsidiaries;
- (iii) the Company does not owe any amount to, nor has the Company any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or securityholder of any of them or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with any of them except for usual employee reimbursements and compensation paid or other advances of funds in the ordinary and normal course of the business of the Company. Except as disclosed in the Disclosure Documents and employee or consulting arrangements made in the ordinary and normal course of business, the Company is not a party to any contract, agreement or understanding with any officer, director, employee or securityholder of any of them or any other person not dealing at arm's length with the Company. Except as described in the Disclosure Documents, no officer, director, employee or securityholder of the Company has any cause of action or other claim whatsoever against, or owes any amount to, the Company except for claims in the ordinary and normal course of the business of the Company such as for accrued vacation pay or other amounts or matters which would not be material to the Company;

- (jjj) the Company and the Subsidiaries own or possess the right to use all material patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights necessary for the conduct of their respective businesses as now conducted, and the Company is not aware of any bona fide claim to the contrary or any challenge by any other person to the rights of the Company and the Subsidiaries with respect to the foregoing. To the knowledge of the Company, the Company's business, including that of the Subsidiaries, as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with in any material respect patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other intellectual property or franchise right of any person. No bona fide claim has been made against the Company or the Subsidiaries alleging the infringement by the Company or the Subsidiaries of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person;
- (kkk) the Company and each Subsidiary is insured by insurers who are, to the knowledge of the Company, of recognized financial responsibility, against such losses and risks in such amounts that are appropriate to the operations, properties and assets of the Company and each Subsidiary, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets; all policies of insurance and fidelity or surety bonds insuring the Company and each Subsidiary, and their respective business, assets, employees, officers and directors are in full force and effect; the Company and each Subsidiary is in compliance with the terms of such policies and instruments in all material respects, including but not limited to the payment of premiums thereunder, there are no material claims by the Company or either Subsidiary under any such policies or instruments as to which any insurance company is denying liabilities or defending under a reservation of rights clause; and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect;
- (lll) all agreements with third parties in connection with the Company's and each of the Subsidiaries' respective businesses have been entered into and are being performed by the Company, the applicable Subsidiary and all other third parties thereto in compliance with their terms. There exists no actual or, to the knowledge of the Company or the applicable Subsidiary, threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Company or the applicable Subsidiary, with any investor, supplier, customer, lessor or franchisee, or any group of suppliers, lessors, customers or franchisee whose business with or whose purchases or inventories/components provided to the business of the Company that is material to the assets, business, properties, operations or financial condition of the Company and the Subsidiaries, taken as a whole. All such business relationships are intact and mutually cooperative, and there exists

no condition or state of fact or circumstances that would prevent the Company or either Subsidiary from conducting such business with any such third parties in the same manner in all material respects as currently conducted or proposed to be conducted;

- (mmm) neither the Company nor any Subsidiary has received any notice or communication from any customer or Governmental Authority alleging a defect or claim in respect of any products manufactured, supplied or sold by the Company or any Subsidiary that would give rise to an obligation to issue any reports, recalls, public disclosure, announcement or customer communications in respect of any such defect or claim;
- (nnn) no existing supplier, manufacturer or contractor of the Company or any Subsidiary has indicated that it intends to terminate its relationship with the Company or any Subsidiary or that it will be unable to meet the Company or any Subsidiary's supply, manufacturing or contracting requirements;
- (ooo) no existing Franchisee is in default or breach of the Franchise Agreement or other agreement with Smoker's Corner Ltd., except as would not, individually or in the aggregate, have a Material Adverse Effect;
- (ppp) no existing Franchisee is in default or breach of any lease or sublease of real property, store, or building where such Franchisee operates pursuant to a Franchise Agreement, except as would not, individually or in the aggregate, have a Material Adverse Effect;
- (qqq) Smoker's Corner Ltd. has delivered disclosure documents to each Franchisee in accordance, in all material respects, with applicable laws, which disclosure documents (including any franchise prospectus, statement of material facts, disclosure statement, marketing brochure, and all similar documents), as well as the Company's and the Subsidiaries' ongoing disclosure practices and courses of conduct, are in compliance with all applicable laws relating to franchising. No Franchisee has notified either the Company or Smoker's Corner Ltd. that such Franchisee alleges it has any right of rescission or damages against the Company or any of the Subsidiaries pursuant to applicable laws;
- (rrr) there is no formal or informal franchisee association in respect of the Franchisees. Except as disclosed in the Disclosure Documents, Smoker's Corner Ltd. has obtained and maintains in good standing all approvals and exemptions necessary for the operation of its business under applicable franchise laws, except where the failure to obtain or maintain such approvals and exemptions would not have a Material Adverse Effect;
- (sss) there is no fact known to the Company which the Company has not disclosed to the Agents which would result in a Material Adverse Change; and
- (ttt) the Company has not withheld from the Agents any material fact relating to the Company or the Subsidiaries.

4.2 The representations and warranties of the Company contained in this Agreement shall be true at the Closing Time as though they were made at the Closing Time and they shall survive the completion of the transactions contemplated under this Agreement in accordance with Section 17.6.

5. REPRESENTATIONS AND WARRANTIES OF THE AGENTS

5.1 Each Agent represents and warrants to the Company, severally and not jointly, and acknowledges that the Company is relying upon such representations and warranties in entering into this Agreement, that:

- (a) the Agent and its U.S. Affiliate, if applicable, are valid and subsisting corporations duly incorporated and in good standing under the laws of the jurisdiction in which they are incorporated;
- (b) the Agent has all requisite power and authority and good and sufficient right and authority to enter into, deliver and carry out its obligations under this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein and upon such execution and delivery this Agreement shall constitute a legal, valid and binding obligation of the Agent, enforceable against the Agent in accordance with its terms, subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement;
- (c) it is, and will remain, until the completion of the Offering, appropriately registered under Applicable Securities Laws so as to permit it to lawfully fulfill its obligations hereunder, and at least one Agent is and will remain, until the completion of the Offering, so registered in each of the Qualifying Provinces;
- (d) the Agents will not, in connection with the services provided hereunder, make any representations or warranties with respect to the Company or its securities;
- (e) no Agent that is a non-resident for the purposes of the *Income Tax Act* (Canada) will render any services under this Agreement in Canada;
- (f) the Agent and the U.S. Affiliate, if applicable, will conduct all their activities of, and in connection with, arranging for the sale of the Special Warrants in compliance with Applicable Securities Laws; and
- (g) the Agent and the U.S. Affiliate, if applicable, are appropriately registered under the Applicable Securities Laws or are exempt from the requirements under Applicable Securities Laws under a category that permits them to lawfully fulfill their obligations hereunder.

5.2 The representations and warranties of the Agents contained in this Agreement shall be true at the Closing Time as though they were made at the Closing Time and they shall survive the completion of the transactions contemplated under this Agreement.

6. PROSPECTUS QUALIFICATION

6.1 The Company covenants and agrees with the Agents that it shall:

- (a) elect and comply in all material respects with the Prospectus Review Procedures and shall use its reasonable commercial efforts, as soon as reasonably practicable after the Initial Closing Date, to:
 - (i) prepare and file the Preliminary Prospectus and other documents required under the Applicable Securities Laws of the Qualifying Provinces with the Commissions and designate the Alberta Securities Commission as the principal regulator;
 - (ii) as soon as reasonably practicable after obtaining the Preliminary Receipt, resolve any comments with respect to the Preliminary Prospectus received by the Commissions in the Qualifying Provinces and prepare and file the Final Prospectus and other documents required under the Applicable Securities Laws of the Qualifying Provinces with the Commissions;
 - (iii) otherwise fulfill and comply with all necessary requirements of the Applicable Securities Laws to enable the Underlying Shares and Warrants to be distributed in each of the Qualifying Provinces;
 - (iv) until the completion of the distribution of the Special Warrants and the Broker Warrants, promptly take or cause to be taken all additional steps and proceedings that from time to time may be required under the Applicable Securities Laws of the Qualifying Provinces to continue to qualify the Underlying Shares and Warrants for distribution or, in the event that the Underlying Shares and Warrants have, for any reason, ceased to so qualify, to use reasonable commercial efforts to again qualify the Underlying Shares and Warrants for distribution; and
 - (v) prior to the filing of the Prospectuses and prior to the filing with any Commission of any Supplementary Material, have allowed the Agents and the Agents' counsel reasonable opportunity to participate fully in the preparation of and to approve the form of such documents (such approval not to be unreasonably withheld);
- (b) apply the net proceeds from the Offering to expand the Company's existing operations in Alberta, strategic acquisition opportunities, and for general working capital purposes;
- (c) deliver or cause to be delivered without charge to the Agents and the Agents' Counsel the documents set out below at the respective times indicated:

- (i) prior to the filing with the Commissions of each of the Preliminary Prospectus and the Final Prospectus, copies of the Preliminary Prospectus and the Final Prospectus, signed by the Company as required by the Applicable Securities Laws of the Qualifying Provinces;
- (ii) contemporaneously with, or prior to the filing of the Final Prospectus or any Supplementary Material in respect of the Final Prospectus, a certificate dated the date of the Final Prospectus, addressed to the Agents and signed by the Chief Executive Officer of the Company or another officer of the Company acceptable to the Agents, certifying for and on behalf of the Company, and not in their personal capacities, after having made due inquiries, with respect to the following matters:
 - (A) the Company having complied with all of the covenants and satisfied all of the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the date of the Final Prospectus;
 - (B) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the issue of the Underlying Shares or Warrants or any of the Company's issued securities having been issued and no proceeding for such purpose being pending or, to the knowledge of such officers, threatened;
 - (C) the representations and warranties of the Company contained in this agreement and in any certificates of the Company delivered pursuant to or in connection with this Agreement being true and correct as at the date of the Final Prospectus or Supplementary Material, with the same force and effect as if made on and as at the date of the Final Prospectus or Supplementary Material, as the case may be, after giving effect to the transactions contemplated by this agreement; and
 - (D) there having been no Material Adverse Change since the Closing Time;
- (iii) contemporaneously with, or prior to the filing of the Final Prospectus, a "comfort letter" from the Company's auditors, dated the date of the Final Prospectus, addressed to the Agents and satisfactory in form and substance to the Agents and the Agents' counsel, acting reasonably, containing statements and information of the type ordinarily included in auditors' comfort letters to an agent in connection with securities offerings in Canada with respect to certain financial and accounting information relating to the Company in the Final Prospectus which comfort letter shall be based on the Company's auditors review having a cut-off date of not more than two Business days prior to the date of the Final Prospectus;

- (iv) as soon as possible after the filing of the Final Prospectus, without charge, commercial copies of the Final Prospectus and any Supplementary Material in such numbers and in such cities as the Agents may reasonably request by written instructions to the Company, or the printer thereof, given no later than the time when the Company authorizes the printing of the commercial copies of such documents;
- (v) on the Qualification Date, a favourable legal opinion of the Company's Counsel or other local counsel acceptable to the Agents acting reasonably, addressed to the Agents, in form and substance reasonably satisfactory to the Agents and the Agents' counsel, acting reasonably, with respect to the following matters relating to the filing of the Final Prospectus and all such opinions may be subject to customary assumptions, reliances and qualifications:
 - (A) the Company has the necessary corporate power and authority to execute and deliver the Prospectuses and all necessary corporate action has been taken by the Company to authorize the execution and delivery by it of the Prospectuses and the filing thereof, as the case may be, in each of the Qualifying Provinces in accordance with Applicable Securities Laws of the Qualifying Provinces;
 - (B) the attributes of the Underlying Shares conform in all material respects with the description thereof contained in the Prospectuses;
 - (C) the statements under the headings "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" in the Prospectus are true and correct;
 - (D) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under Applicable Securities Laws of the Qualifying Provinces in order to qualify the Underlying Shares and Warrants for distribution in each of the Qualifying Provinces by or through investment dealers and brokers duly registered under the applicable laws of such Provinces who have complied with the relevant provisions of Applicable Securities Laws of the Qualifying Provinces; and
 - (E) the Common Shares, including the Underlying Shares, have been conditionally listed or approved for listing on the Exchange;
- (d) each delivery of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material pursuant to subparagraph (b) hereof shall constitute a representation and warranty to the Agents by the Company (and the Company hereby acknowledges that the Agents are relying on such representations and warranties in entering into this agreement) that:

- (i) the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as applicable:
 - (A) are at the respective dates of such documents, true and correct in all material respects;
 - (B) contain no misrepresentation; and
 - (C) contain, in all material respects, full, true and plain disclosure of all material facts relating to the Company and the Underlying Shares required under Applicable Securities Laws of the Qualifying Provinces,

other than any information or statements relating solely to the Agents and furnished in writing to the Company by the Agents expressly for inclusion in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be, and except any information and statements which are modified or superseded by information or statements contained in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be;

- (ii) the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as applicable, complies in all material respects with the Applicable Securities Laws of the Qualifying Provinces; and
 - (iii) except as has been disclosed in the Disclosure Documents, there has been no material change (actual, proposed or prospective, whether financial or otherwise) from the date of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material to the time of delivery of such respective document of the Company and its Subsidiaries, taken as a whole;
- (e) it will use its commercially reasonable efforts to obtain all necessary approvals of the Exchange required for the listing of the Common Shares (including the Underlying Shares) and shall comply with all requirements of the Exchange in the order to list the Common Shares on the Exchange;
 - (f) during the period commencing with the date hereof and ending on the Qualification Deadline, the Company will promptly provide to the Agents, for review by the Agents and the Agents' counsel, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any financial statements of the Company, report to shareholders, information circular or any press release or material change report, subject to the Company's obligations under Applicable Securities Laws to make timely disclosure of material information, and the Agents agree to keep such information confidential until it is disseminated into the marketplace, and any press release issued by the Company concerning the offering of the Special Warrants, Warrants or Underlying Shares shall comply with Rule 135e under the U.S. Securities Act

and shall be marked, at the top of the press release, as follows: “NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES”;

- (g) during the period commencing with the date hereof and ending on the Qualification Deadline, the Company will promptly inform the Agents of the full particulars of:
 - (i) any material change (actual, anticipated or threatened) of the Company and its Subsidiaries, taken as a whole;
 - (ii) any change in any material fact contained or referred to in the Disclosure Documents; and
 - (iii) the occurrence of a material fact or event, which, in any such case, is, or may be, of such a nature as to: (A) render any portion of the Disclosure Documents untrue, false or misleading in any material respect; (B) result in a misrepresentation in the Disclosure Documents; or (C) result in the Disclosure Documents not complying in a material respect with the Applicable Securities Laws;

provided that if the Company is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this subparagraph 6.1(g)(iii) has occurred, the Company shall promptly inform the Agents of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agents as to whether the occurrence is of such a nature;

- (h) during the period commencing with the date hereof and ending on the Qualification Deadline, the Company will promptly inform the Agents of:
 - (i) any request of the Commissions for any amendment to the Preliminary Prospectus or the Final Prospectus or for any additional information;
 - (ii) the receipt by the Company of any communication from any Commission or similar regulatory authority, the Exchange, or any other competent authority relating to any part of the Offering Documents; and
 - (iii) the issuance by any Commission or similar regulatory authority, the Exchange or by any other competent authority, of any order to cease or suspend trading of any securities of the Company or of the institution or threat of institution of any proceedings for that purpose;
- (i) the Company will promptly, and in any event within any applicable time limitation, comply to the reasonable satisfaction of the Agents and the Agents’ counsel, with Applicable Securities Laws with respect to any material change or change, occurrence or event of the nature referred to in subparagraphs 6.1(g)(iii) and 6.1(h) and the Company will prepare and file promptly at the Agents’ request, acting reasonably, any amendment to the Preliminary Prospectus, the

Final Prospectus or Supplementary Material as may be required under Applicable Securities Laws of the Qualifying Provinces; provided that the Company shall have allowed the Agents and the Agents' counsel reasonable opportunity to participate fully in the preparation of any amendment to the Preliminary Prospectus, the Final Prospectus or Supplementary Material and to conduct all due diligence investigations which the Agents may reasonably require in order to fulfil their obligations as Agents and in order to enable the Agents to execute the certificate required to be executed by them in, or in connection with, such Supplementary Material;

- (j) the Company will duly, faithfully and punctually perform all the obligations to be performed by it and comply with its covenants and agreements hereunder and under the Subscription Agreements;
- (k) all representations, warranties and covenants in sections 4, 6 and 8 in this Agreement made by the Company to the Agents shall also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto (it being agreed that the Agents are acting for and on behalf of the Subscribers for this purpose).

7. DUE DILIGENCE REVIEW

- 7.1 During the period from the date hereof until the earlier of the (i) Qualification Date and the (ii) Qualification Deadline, the Company shall allow the Agents the opportunity to conduct a due diligence review of the Company and the Subsidiaries and to obtain, acting reasonably, satisfactory results therefrom and in particular, the Company shall allow the Agents and Agents' counsel to conduct all due diligence which the Agents may reasonably require in order to confirm the Offering Documents are accurate, complete and current in all material respects and to fulfill the Agents' obligations as registrants and, in this regard, without limiting the scope of the due diligence inquiries the Agents may conduct, the Company shall cause its senior management, auditors, legal counsel, technical advisors and such other persons as the Agents may require, to answer any questions which the Agents may reasonably have and to participate in one or more due diligence sessions (each a "**Due Diligence Session**") to be held prior to the date of the Qualification Date.

8. ADDITIONAL COVENANTS OF THE COMPANY

- 8.1 The Company covenants and agrees with the Agents that it shall:
- (a) take all steps as may be reasonably necessary to enable the Special Warrants to be sold on a private placement basis in the Selling Jurisdictions by way of exemptions from the prospectus or registration statement filing requirements of Applicable Securities Laws and otherwise fulfill all legal requirements required to be fulfilled by the Company (including, without limitation, compliance with all Applicable Securities Laws) in connection with the Offering;
 - (b) deliver to the Agents and their legal counsel, as applicable:

- (i) a copy of all letters, submissions and other materials with respect to the Offering filed with the Regulatory Authorities in Canada or elsewhere, if any, at the same time that the materials are filed with such Regulatory Authorities;
- (ii) at the Closing Time, a favourable legal opinion dated as of the Initial Closing Date or the Additional Closing Date, as applicable, addressed to the Agents and their counsel from the Company's Counsel, in form and substance satisfactory to the Lead Agent, acting reasonably, together with corresponding opinions (where relevant) of local counsel to the Company in relation to the laws of the Selling Jurisdictions in which the Offered Securities are sold and on which Company's Counsel is not qualified to express opinions (collectively, the "**Legal Opinions**");
- (iii) at the Closing Time, a favourable legal opinion (the "**Corporate Legal Opinion**") dated as of the Initial Closing Date or the Additional Closing Date, as applicable, addressed to the Agents and their counsel from the Company's Counsel, in form and substance satisfactory to the Lead Agent, acting reasonably, with respect to the following matters, and all such opinions may be subject to customary assumptions, reliance's and qualifications:
 - (A) the incorporation, existence and good standing of the Company under the laws of its jurisdiction of incorporation;
 - (B) the authorized capital of the Company and the ownership thereof; and
 - (C) that the Company has all necessary corporate power under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and own and lease its properties and assets and to conduct its business;
- (iv) at the Closing Time, if any Special Warrants are being sold in the United States or to or for the benefit or account of U.S. Persons or persons in the United States, a favourable legal opinion of U.S. legal counsel (the "**U.S. Legal Opinion**") dated as of the Initial Closing Date or the Additional Closing Date, as applicable, and addressed to the Agents and their counsel, in form and substance satisfactory to the Lead Agent, acting reasonably, to the effect that such offer and sale of the Special Warrants is not required to be registered under the U.S. Securities Act;
- (v) at the Closing Time, a certificate (the "**Officer's Certificate**") dated as of the Initial Closing Date or the Additional Closing Date, as applicable, signed by the Chief Executive Officer of the Company or another officer acceptable to the Lead Agent, addressed to the Agents and their legal counsel, in form and substance satisfactory to the Lead Agent, acting

reasonably, certifying for and on behalf of the Company and not in their personal capacities that, to the actual knowledge of the persons signing such certificate, after having made due and relevant inquiry:

- (A) the Company has complied with and satisfied all covenants, terms and conditions of this Agreement, the Subscription Agreements, the Special Warrant Indenture and the Warrant Indenture on its part to be complied with or satisfied at or prior to the Closing Time;
 - (B) the representations and warranties of the Company contained in this Agreement and the Subscription Agreements are true and correct at the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement;
 - (C) the Due Diligence Session Responses provided by the Company at the Due Diligence Session held prior to the Closing Time are true and correct and would not be different in any material respect if the Due Diligence Session were held immediately prior to the Closing Time;
 - (D) the Company has made and/or obtained on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Company is a party or by which it is bound, required for the execution and delivery of this Agreement, the Subscription Agreements, the offering and sale of the Special Warrants and the consummation of the other transactions contemplated by this Agreement (subject to completion of filings with certain regulatory authorities following the Initial Closing Date or the Additional Closing Date, as applicable); and
 - (E) no order, ruling or determination having the effect of suspending the sale or cease trading of the Common Shares or any other securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officer of the Company, contemplated or threatened under any Applicable Securities Laws or by any other regulatory authority;
- (vi) at the Closing Time, a certificate (the “**Corporate Officer’s Certificate**”) dated as of the Initial Closing Date or the Additional Closing Date, as applicable, signed by the Chief Executive Officer of the Company or another officer acceptable to the Lead Agent, acting reasonably, in form

and substance satisfactory to the Lead Agent, acting reasonably, with respect to the constating documents of the Company; the number of Common Shares issued and outstanding on the date immediately prior to the Initial Closing Date or the Additional Closing Date, as applicable, the resolutions of the directors of the Company relevant to the Offering, including the authorization of this Agreement and transactions contemplated herein; and the incumbency and signatures of signing officers of the Company;

- (vii) at the Closing Time, favourable legal opinions in respect of each of the Subsidiaries (the “**Subsidiary Opinions**”) dated as of the Initial Closing Date or the Additional Closing Date, as applicable, addressed to the Agents and their counsel from the Company’s Counsel or local counsel, as applicable, in form and substance satisfactory to the Lead Agent, acting reasonably, with respect to the following matters, and all such opinions may be subject to customary assumptions, reliance’s and qualifications:
 - (A) the incorporation, existence and good standing of each of the Subsidiaries under the laws of its jurisdiction of incorporation;
 - (B) the authorized capital of the Subsidiaries and the ownership thereof; and
 - (C) that each of the Subsidiaries has all necessary corporate power under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and own and lease its properties and assets and to conduct its business;
- (viii) at the Closing Time, a certificate (the “**Subsidiary Officer’s Certificate**”) dated as of the Initial Closing Date or the Additional Closing Date, as applicable, of each of the Subsidiaries signed by an appropriate officer of such Subsidiary, addressed to the Agents and their legal counsel, in form and substance satisfactory to the Lead Agent, acting reasonably, certifying for and on behalf of each of the Subsidiaries and not in their personal capacities that, to the actual knowledge of the persons signing such certificate, after having made due and relevant inquiry, as to (i) the corporate good standing, and (ii) as to the authorized capital and ownership thereof, of such Subsidiary;
- (ix) at the Closing Time, a Certificate of Compliance for the Company dated within one (1) business day (or such earlier or later date as the Agents may accept) of the Initial Closing Date or the Additional Closing Date, as applicable;
- (x) at the Closing Time, lock-up agreements signed by each of the Company’s officers, directors and certain shareholders holding more than 5% of the Common Shares, whereby such persons covenant that, for a period of four

months from the Listing Date, each will not, directly or indirectly, offer, sell, contract to sell, grant or sell any option to purchase, purchase any option or contract to sell, hypothecate, pledge, transfer, assign, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with (or agree to or publicly announce any intention to do any of the foregoing) whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible into, exchangeable for or exercisable to acquire, Common Shares, directly or indirectly, without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld; provided that, however, the foregoing shall not apply in the event that there occurs a take-over bid or similar transaction involving a change of control of the Company; and

- (xi) at the Closing Time, such other materials (the “**Closing Materials**”) as the Agents may reasonably require and as are customary in a transaction of this nature, and the Closing Materials will be addressed to the Agents and to such parties as may be reasonably directed by the Agents and will be dated as of the Initial Closing Date or the Additional Closing Date, as applicable, or such other date as the Agents may reasonably require;
- (c) during the period commencing on the Initial Closing Date and ending on the date which is 60 days after the Listing Date, the Company shall not, without the written consent of the Lead Agent, which consent will not be unreasonably withheld, issue, sell, offer, grant an option or right in respect of (or agree to or publicly announce any intention to do any of the foregoing) any additional Common Shares except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the date of the Engagement Letter, (ii) the issuance of Common Shares of the Company upon the exercise of convertible securities, warrants, options or obligations outstanding prior to the date of the Engagement Letter, (iii) any arm’s length property acquisition transaction or other corporate acquisitions by the Company;
- (d) from the date of this Agreement to and including the Qualification Deadline, not reproduce, disseminate, quote from or refer to any written or oral opinions, advice, analysis and materials provided by the Agents to the Company in connection with the Offering in whole or in part at any time, in any manner or for any purpose, without the Lead Agent’s prior written consent in each specific instance, and the Company shall and shall cause its affiliates, officers, directors, shareholders, agents and advisors (including those shareholders who have an advisory relationship with the Company and the directors, officers, and employees of such shareholders) to keep confidential the opinions, advice, analysis and materials furnished to the Company by the Agents and their counsel in connection with the Offering;

- (e) from the date of this Agreement to and including the Qualification Deadline, promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Agents may reasonably require from time to time for the purpose of giving effect to this Agreement; and
- (f) from the date of this Agreement to and including the Qualification Deadline, forthwith notify the Agents of any breach of any covenant of this Agreement by any party thereto, or upon it becoming aware that any representation or warranty of the Company contained in this Agreement is or has become untrue or inaccurate in any material respect.

8.2 The Company covenants to use its commercially reasonable efforts to obtain all necessary approvals to complete the Offering.

9. AGENTS' COMMISSION AND EXPENSES

9.1 In consideration of the services to be rendered by the Agents to the Company under this Agreement, the Company agrees to pay to the Lead Agent the Agents' Commission and the Additional Cash Fee, as well as issue the Broker Warrants to the Agents, at the time and in the manner specified in this Agreement.

9.2 Whether or not the sale of the Special Warrants shall be completed, all reasonable costs and expenses of or incidental to the sale and delivery of the Special Warrants and of or incidental to all matters in connection with the transactions herein shall be borne by the Company, and the Company shall reimburse the Agents for any and all expenses incurred by the Agents, including, without limitation and for greater certainty, the reasonable fees of Agents' Counsel up to a maximum of \$150,000, plus disbursements and taxes, and the reasonable "out-of-pocket" expenses of the Agents.

9.3 All fees, expenses and other payments under this Agreement shall be paid without giving effect to any withholding or deduction of any tax or similar governmental assessment. If any sales taxes or other similar tax is payable with respect to the fees paid or payable to the Agents under this engagement, the Agents will add the amount of such tax to its invoice and the Company shall pay the Agents such tax.

10. CONDITIONS TO CLOSING

10.1 The following are conditions to the obligations of the Agents to complete the transactions contemplated in this Agreement, which conditions may be waived in writing in whole or in part by the Agents in their sole discretion:

- (a) there shall be no requirement under applicable law and no requirement imposed on the Company by the Regulatory Authorities to obtain, nor shall the Company voluntarily seek, shareholder approval of the Offering or of the issuance of the Special Warrants or Broker Warrants;
- (b) the Company will have, within the required time set out hereunder, delivered or caused the delivery of the required Legal Opinions, the Corporate Legal

Opinion, U.S. Legal Opinion, if applicable, the Subsidiary Opinions, the Officer's Certificate, the Corporate Officer's Certificate, the Subsidiary Officer's Certificates and the Closing Materials, in form and substance satisfactory to the Lead Agent and its counsel, acting reasonably;

- (c) no order ceasing or suspending trading in any securities of the Company, or ceasing or suspending trading by the directors, officers or promoters of the Company, or any one of them, or prohibiting the trade or distribution of any of the securities referred to herein will have been issued and no proceedings for such purpose, to the knowledge of the Company, will be pending or threatened;
- (d) there shall not have occurred since February 26, 2018 and until the Closing Time, any Material Adverse Change in the Company and the Subsidiaries, taken as a whole;
- (e) the due diligence conducted by the Agents shall not have revealed any Material Adverse Change or adverse material fact in respect of the Company;
- (f) the Company will have, as of the Closing Time, complied with all of its covenants and agreements contained in this Agreement; and
- (g) the representations and warranties of the Company contained in this Agreement will be materially true and correct as of the Closing Time as if such representations and warranties had been made as of the Closing Time.

11. CLOSING

- 11.1 The closing of the transactions contemplated under this Agreement (the "**Closing**") shall be completed at the offices of the Company's Counsel on the Initial Closing Date or the Additional Closing Date, as applicable.
- 11.2 On the Initial Closing Date or the Additional Closing Date, as applicable, the Company shall issue and deliver to the Agents:
 - (a) definitive certificates representing the Special Warrants purchased from the Company registered in the name of "CDS & Co." or in such other name or names as the Lead Agent may direct the Company in writing not less than 24 hours prior to the Closing Time; provided that, alternatively, if requested by the Lead Agent at the Closing Time, the Company shall duly and validly deliver in uncertificated form to the Lead Agent, or in any manner directed by the Lead Agent in writing, the Special Warrants purchased from the Company, registered in the name of "CDS & Co." or such other name or names as the Lead Agent may direct the Company in writing not less than 24 hours prior to the Closing Time;
 - (b) the Company shall deliver to the Agents such documents set forth in subsection 8.1(b) as the Agents may request; and

(c) the original Broker Warrant Certificates, registered as directed by the Agents.

11.3 If the Company has satisfied all of its obligations under this Agreement that are required to be satisfied before or at the Closing Time, on the Initial Closing Date or the Additional Closing Date, as applicable, the Agents shall pay to the Company by certified cheque or wire transfer the aggregate gross proceeds of the sale of the Special Warrants, less (i) the Agents' Commission and Additional Cash Fee as well as, (ii) if so desired by the Lead Agent, any costs and expenses owing to the Agents pursuant to section 9.2.

12. INDEMNITY

12.1 In consideration of the services performed by the Agents under this Agreement, the Company and its affiliated companies (collectively, the "**Indemnitor**") hereby agrees to indemnify and save harmless, to the maximum extent permitted by law, the Agents, their affiliates and selling group members and their affiliates and their respective directors, officers, employees, partners, agents, advisors and shareholders (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 Company has consented to such settlement in accordance with Section 12.4, of any actions, suits, proceedings, investigations or claims and the fees, 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 are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Indemnitor by the Indemnified Parties hereunder hereafter provided 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.

12.2 If and to the extent that a court of competent jurisdiction, in a final non-appealable judgement in a proceeding in which the Indemnified Party is named as a party, determines that a Claim was caused by or resulted from an Indemnified Party's material breach of this Agreement, breach of applicable laws, gross negligence or fraudulent act, 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 Company to the Indemnified Party pursuant to this indemnity in respect of such Claim. The Company agrees to waive any right the Company might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.

12.3 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 Company, the Indemnified Party will give the Company prompt written notice of any such Claim of which the Indemnified Party has knowledge

and the Company will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties (acting reasonably) affected and the payment of all expenses. The Company throughout the course thereof, will provide copies of all relevant documentation to the Indemnified Parties, will keep the Indemnified Parties advised of the progress thereof and will discuss with the Indemnified Parties all significant actions proposed. Failure by the Indemnified Party to so notify shall not relieve the Company of its obligation of indemnification hereunder.

- 12.4 No admission of liability and no settlement, compromise or termination of any Claim, or investigation shall be made without the Company's consent and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld or delayed. Notwithstanding that the Company 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 Company;
 - (b) the Company has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim, action, suit, proceeding or investigation;
 - (c) the named parties to any such claim include both the Company 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 Company 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 Company;

in which case such reasonable fees and expenses of such counsel to the Indemnified Parties will be for the Company's account and the Company shall reimburse the Agents for such reasonable fees and expenses. 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.

- 12.5 Without limiting the generality of the foregoing, this indemnity shall apply to all reasonable expenses (including legal expenses), losses (excluding loss of profits), claims and liabilities that the Agents may incur as a result of any action, suit, proceeding or claim that may be threatened or brought against the Company.
- 12.6 If for any reason the foregoing indemnification is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties (or any of them) or insufficient to hold them harmless, the Company will contribute to the amount paid or payable by the Indemnified Parties as a result of such Claims in such proportion as is appropriate to reflect not only the relative benefits received by the Company or the Company's shareholders on the one hand and the Indemnified Parties on the other, but also the

relative fault of the parties and other equitable considerations which may be relevant. Notwithstanding the foregoing, the Company will in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any amount in excess of the fees actually received by the Indemnified Parties hereunder.

- 12.7 The Company hereby constitutes the Agents as trustees for each of their respective other Indemnified Parties of the Company's covenants under this indemnity with respect to such persons and the Agents agree to accept such trust and to hold and enforce such covenants on behalf of such persons.
- 12.8 The Company agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on the Company's behalf or in right for or in connection with the services provided by the Agents under this Agreement, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Company are determined by a court of competent jurisdiction in a final judgement (in a proceeding in which the applicable Indemnified Party is named as a party) that has become non-appealable to have resulted from a material breach of the Agreement, breach of applicable laws, gross negligence or fraudulent act of such Indemnified Party.
- 12.9 The Company agrees to reimburse the Agents monthly for the time spent by the Agents' personnel in connection with any Claim at reasonable per diem rates. The Company also agrees that if any action, suit, proceeding or claim shall be brought against, or an investigation commenced in respect of the Company and the Agents and personnel of the Agents shall be required to testify, participate or respond in respect of or in connection with this Agreement, the Agents shall have the right to employ their own counsel in connection therewith and the Company will reimburse the Agents monthly for the time spent by their personnel in connection therewith at their reasonable per diem rates together with such disbursements and reasonable out-of-pocket expenses as may be incurred, including fees and disbursements of the Agent's counsel.
- 12.10 The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company 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 Company, and any Indemnified Party. The foregoing provisions shall survive the completion of professional services rendered under this Agreement and/or any termination of this Agreement.

13. AUTHORITY OF LEAD AGENT

- 13.1 All steps or other actions which must or may be taken by the Agents in connection with this Agreement shall be taken by the Lead Agent, with the exception of the matters contemplated by sections 12 and 16, on the Agents' behalf, and the execution of this Agreement by the Agents shall constitute the authority of the Company for accepting notification of any such steps or other actions from the Lead Agent.

14. RIGHT OF FIRST REFUSAL

- (a) Provided the Offering is completed for minimum gross proceeds of \$4,000,000, if within a period of one year from the Initial Closing Date, or in the event there is an Additional Closing Date, the Additional Closing Date (the “**Right of First Refusal Period**”), the Company determines to undertake a public or private offering of debt, equity or equity-based securities in Canada (a “**Subsequent Offering**”), the Lead Agent will have a right of first refusal to participate for a minimum economic position of 50% (the “**Right of First Refusal**”). In such event, the Company and the Lead Agent will, in good faith, negotiate and enter into a separate agreement or other appropriate documentation for such engagement containing such compensation and other terms and conditions as are customary for similar engagements, including, without limitation, appropriate indemnification provisions.
- (b) The Company must provide the Lead Agent with prompt written notification if the Company determines to pursue a Subsequent Offering, which notification will provide sufficient detail to enable the Lead Agent to determine whether it wishes to exercise its Right of First Refusal (the “**Notice of a Subsequent Offering**”). Following receipt of the Notice of a Subsequent Offering, the Lead Agent must exercise its Right of First Refusal within 10 business days, save and except in the circumstance that the Company has advised the Lead Agent in the Notice of a Subsequent Offering of a bought-deal engagement, for which the response time of the Lead Agent is reduced from 10 business days to 24 hours. If the Lead Agent does not respond within the relevant time period, it shall relinquish its rights with respect to that particular Subsequent Offering only, but shall continue to have a Right of First Refusal in relation to any other Subsequent Offerings during the Right of First Refusal Period.
- (c) If the Lead Agent declines, in writing, to exercise its Right of First Refusal with respect to a Subsequent Offering (the “**Notice of Declination**”) that it has properly received a Notice of a Subsequent Offering for, the Company shall be entitled for a period of 30 days, beginning upon the date it receives the Notice of Declination, to engage another agent or underwriter with respect to that Subsequent Offering. Upon expiry of such 30 day period, the Company shall not be entitled to enter an engagement or agreement with any agent or underwriter without complying with subsections 13.6(a) and (b).

15. ALTERNATIVE TRANSACTION

- 15.1 If the Company does not complete the Offering other than where the Agreement is terminated by the Company as a result of a material breach by one or more of the Agents of their obligations hereunder, but the Company or any affiliate or subsidiary thereof completes any debt or equity financing transaction (excluding a bank loan from commercial bank lenders) prior to the date that is 90 days from the date of the Engagement Letter (any such transaction, an “**Alternative Transaction**”) in respect of which the Lead Agent is not the lead agent or the Agents are not the placement agents,

arrangers or initial purchasers, or in respect of which the Agents do not receive at least the same amount of compensation pursuant to the Alternative Transaction as to which they would have been entitled under the Offering, the Agents shall be entitled to receive immediately upon the completion of such Alternative Transaction the lesser of: (i) the amount of compensation assuming completion of the maximum Offering, and (ii) the commissions (including the Agents' Commission and Additional Cash Fee) and the Broker Warrants calculated based on the amount raised pursuant to the Alternative Transaction.

16. TERMINATION OF AGREEMENT

16.1 In addition to any other remedies which may be available to the Agents, each of the Agents may terminate its obligations under this Agreement by delivering written notice to that effect to the Company at or prior to the Closing Time if:

- (a) the Agents are not satisfied, in their sole discretion, acting reasonably, with the results of their due diligence review and investigations;
- (b) there shall have occurred any Material Adverse Change or change in any material fact, or there shall be discovered any previously undisclosed material change or material fact, which, in each case, in the reasonable opinion of the Agents, has or would be expected to have a significant adverse effect on the market price or value of any of the securities of the Company, including, without limitation, the Special Warrants, the Warrants, the Underlying Shares or the Broker Warrants;
- (c) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order is made by any Governmental Authority, including any securities regulatory authority, which inquiry, action, suit, investigation or other proceeding involves the Company or any of its securities, directors or officers (other than one based upon the activities or alleged activities of the Agents and not upon activities of the Company) or any law or regulation is enacted or changed which, in the opinion of the Agents, acting reasonably, prevents or restricts the trading of the securities of the Company or materially and adversely affects or will materially and adversely affect the market price or value of the Common Shares of the Company, or the distribution of the Special Warrants, the Warrants, the Underlying Shares or the Broker Warrants;
- (d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including, without limitation, an act of terrorism) or any law or regulation which, in the opinion of the Agents, acting reasonably, might materially adversely affect, or involve, or will materially adversely affect, or involve, the financial markets or the business, operations or affairs of the Company;

- (e) the Company is in breach of, in default under or non-compliance with any representation, warrant, term, condition or covenant of this Agreement or any representation or warranty given by the Company in this Agreement is or becomes false;
- (f) the Offering cannot, in the reasonable opinion of the Agents, be profitably marketed due to the state of the financial markets;
- (g) the Agents become aware of, as a result of their due diligence review or otherwise, of any Material Adverse Change, or a change in any material fact or any material fact with respect to the Company (in the sole opinion of the Agents acting reasonably) which has not been disclosed to the Agents prior to the date hereof;
- (h) any order to cease, halt or suspend trading (including an order prohibiting communications with persons in order to obtain expressions of interest) in the securities of the Company prohibiting or restricting the Offering is made by a Governmental Authority or Securities Regulator and that order is still in effect;
- (i) any material term or condition of this Agreement remains outstanding and incomplete at any time after the time which the Company is required to complete or waive such term or condition; or
- (j) the Agents and the Company mutually agree in writing to terminate this Agreement.

17. GENERAL

- 17.1 Any notice to be given hereunder shall be in writing and may be given by email, facsimile or by hand delivery and shall, in the case of notice to the Company, be addressed and faxed or delivered to:

High Tide Ventures Inc.
2634 45 Avenue SE #149
Calgary, Alberta T2B 3M1

Attention: Raj Grover
Email: Raj@rgrcanadainc.ca

with a copy to:

Garfinkle Biderman LLP
1 Adelaide Street East, Suite 801
Toronto, ON M5C 2V9

Attention : Shimmy Posen
Email: SPosen@garfinkle.com

and in the case of the Agents, be addressed and faxed or delivered to each of:

Canaccord Genuity Corp.
Brookfield Place
161 Bay Street, Suite 3000
Toronto, ON M5J 2S1

Attention: Graham Saunders
Email: GSaunders@canaccordgenuity.com

with a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, Ontario M5H 4E3

Attention : Andrew Powers
Email: apowers@blg.com

The Company and the Agents may change their respective addresses for notice by notice given in the manner referred to above.

- 17.2 The forbearance or failure of one of the parties hereto to insist upon strict compliance by the other with any provision of this Agreement, whether continuing or not, shall not be construed as a waiver of any rights or privileges hereunder. No waiver of any right or privilege of a party arising from any default or failure hereunder of performance by the other shall affect such party's rights or privileges in the event of a further default or failure of performance.
- 17.3 Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement.

- 17.4 This Agreement constitutes the entire agreement between the parties hereto in respect of the matters referred to herein and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein and this Agreement supersedes any previous agreements, arrangements or understandings among the parties.
- 17.5 The headings in this Agreement are for reference only and do not constitute terms of the Agreement.
- 17.6 Except as expressly provided for in this Agreement, all warranties, representations, covenants and agreements of the Company herein contained, or contained in, documents submitted or required to be submitted pursuant to this Agreement, shall survive the Closing of the Offering and shall continue in full force and effect, regardless of the closing of the sale of the Special Warrants and regardless of any investigation which may be carried on by the Agents, or on their behalf, subject only to the applicable limitation period prescribed by law. For greater certainty, the provisions contained in this Agreement in any way related to the indemnification or the contribution obligations, including those provided for in section 12, shall survive and continue in full force and effect, subject only to the applicable limitation period prescribed by law.
- 17.7 The Lead Agent is hereby authorized by the other Agents to act on their behalf and the Company shall be entitled to and shall act on any notice given hereunder by the Lead Agent or agreement entered into by or on behalf of the Agents by the Lead Agent, which represents and warrants that it has irrevocable authority to bind the Agents, except in respect of any consent to a settlement pursuant to section 12, which consent shall be given by the Indemnified Party, a notice of termination pursuant to section 15, which notice may be given by any of the Agents exercising such right, or any waiver pursuant to section 16.1, which waiver must be signed by all the Agents. The Lead Agent shall, where practicable, consult with the other Agents concerning any matter in respect of which they act as representative of the Agents.
- 17.8 The Company hereby acknowledges that the Agents are acting solely as Agents in connection with the sale of the Special Warrants contemplated hereby. The Company further acknowledges that the Agents are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agents act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Agents may undertake or have undertaken in furtherance of such sale of the Special Warrants, either before or after the date hereof. The Agents hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Agents agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agents to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Common Shares or Warrants, do not constitute advice or recommendations to the

Company. The Company and the Agents agree that the Agents are acting as principal and not the agent or fiduciary of the Company and no Agent has assumed, and no Agent will assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Agent has advised or is currently advising the Company on other matters). The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Agents with respect to any breach or alleged breach of any fiduciary, advisory or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

- 17.9 No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid and binding upon the parties hereto unless such alteration, amendment, modification or interpretation is in written form executed by the parties directly affected by such alteration, amendment, modification or interpretation.
- 17.10 The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any party may, either before or after the Initial Closing Date or the Additional Closing Date, as applicable, reasonably require in order to carry out the full intent and meaning of this Agreement.
- 17.11 This Agreement may not be assigned by any party hereto without the prior written consent of all of the parties hereto.
- 17.12 This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of Ontario and the Canadian federal laws applicable therein.
- 17.13 The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
- 17.14 The parties may sign this Agreement as many counterparts as may be deemed necessary and may be delivered by facsimile, all of which so signed and delivered shall be deemed to be an original and together shall constitute one and the same instrument.
- 17.15 The Agents hereby acknowledge that they have consented that this Agreement and all documents evidencing or relating in any way to the sale be drawn up in the English language only. Nous reconnaissons par les présentes avoir consenti que tous les documents faisant foi ou se rapportant de quelque manière à notre achat soient rédigés en anglais seulement.

[THIS SPACE IS INTENTIONALLY LEFT BLANK]

If the foregoing is in accordance with your understanding and agreed to by you, please signify your acceptance on the accompanying counterparts of this letter and return same to the Agents whereupon this letter as so accepted shall constitute an agreement between the Company and the Agents enforceable in accordance with its terms.

Yours truly,

CANACCORD GENUITY CORP.

By: Signed "*Canaccord Genuity Corp.*"

Name:

Title:

**MACKIE RESEARCH CAPITAL
CORPORATION**

By: Signed "*Mackie Research Capital Corporation*"

Name:

Title:

LAURENTIAN BANK SECURITIES INC.

By: Signed "*Laurentian Bank Securities Inc.*"

Name:

Title:

The foregoing is accepted and agreed to on August 22, 2018, effective as of the date appearing on the first page of this Agreement.

HIGH TIDE VENTURES INC.

By: Signed "*High Tide Ventures Inc.*"
Name:
Title:

SCHEDULE "A"

FORM OF BROKER WARRANT CERTIFICATE