

AGENCY AGREEMENT
(CAPITAL POOL COMPANY)

THIS AGREEMENT is dated for reference the 7th day of February, 2019.

BETWEEN:

PINEHURST CAPITAL II INC., a corporation incorporated under the laws of the Province of Ontario, 20 Holly St. Suite 300, Toronto, Ontario M4S 3B; e-mail: drosenkrantz@patica.ca; Attention: David Rosenkrantz (the “**Issuer**”)

AND:

M PARTNERS INC., a corporation incorporated under the laws of the Province of Ontario, 70 York Street, Suite 1500, Toronto, Ontario, M5J 1S9; e-mail: si@mpartners.ca; Attention: Steve Isenberg (the “**Agent**”)

BACKGROUND

- A. The Issuer wishes to raise funds for the purposes set forth in its Prospectus, which is to be filed with the Regulatory Authorities, by offering for sale certain of its securities; and
- B. The Issuer wishes to appoint the Agent to solicit subscriptions for those securities and the Agent is willing to accept such appointment on the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. DEFINITIONS

1.1 In this Agreement, including the recitals above:

- (a) “**Act**” means the *Securities Act* (Ontario), the regulations, rulings and orders made thereunder and all policy statements, blanket orders, notices, rulings and directions issued by the Commissions, all as amended;
- (b) “**Agent’s Commission**” has the meaning set out in Section 4.1(a);
- (c) “**Agent’s Warrant**” means a non-transferable warrant entitling the holder to acquire 300,000 common shares of the Issuer at a price per share of \$0.10;
- (d) “**Agent’s Warrant Shares**” means the Common Shares issuable upon the exercise of the Agent’s Warrant;

- (e) “**Business Day**” means any day except Saturday, Sunday or a statutory holiday in Toronto;
- (f) “**Certificates**” means the certificates representing the Common Shares and the certificate representing the Agent’s Warrant in the names and denominations reasonably requested by the Agent;
- (g) “**Closing Date**” means a day that is no earlier than 10 business days after the Agent has mailed the Prospectus to purchasers of the Offered Shares, and shall not be later than the last day of the Offering Period;
- (h) “**Common Share**” or “**Common Shares**” means a common share or the common shares in the capital of the Issuer;
- (i) “**Commissions**” means the Ontario Securities Commission, Alberta Securities Commission and the British Columbia Securities Commission;
- (j) “**Corporate Finance Fee**” has the meaning set out in Section 4.1(b);
- (k) “**CPC Policy**” means Policy 2.4 of the Exchange’s Corporate Finance Manual and shall include all orders, policies, rules, instruments, regulations, by-laws and procedures of the Commissions and the Exchange which govern offerings by capital pool companies, as amended from time to time;
- (l) “**Effective Date**” means the date on which the receipt for the Final Prospectus is issued by the Commissions;
- (m) “**Engagement Letter**” means the engagement letter agreement dated the 6th day of June, 2018 and accepted the 28th day of June, 2018;
- (n) “**Exchange**” means the TSX Venture Exchange Inc.;
- (o) “**Final Prospectus**” means the final prospectus filed or intended to be filed by the Issuer with the Regulatory Authorities in connection with the Offering and any amendments to it which may be filed with the Regulatory Authorities;
- (p) “**Material Change**” has the meaning set out in the Act;
- (q) “**Material Fact**” has the meaning set out in the Act;
- (r) “**Misrepresentation**” has the meaning set out in the Act;
- (s) “**Offered Shares**” means the 3,000,000 Common Shares offered at the Offering Price pursuant to the Prospectus;
- (t) “**Offering**” means the offering of the 3,000,000 Common Shares under the Prospectus;

- (u) **“Offering Period”** means a period of 90 days after the date of the receipt for the Final Prospectus issued by the Commissions or such later date as may be agreed to by the Issuer and the Agent and is consented to by persons and companies who subscribed for Offered Shares within the said 90 day period;
- (v) **“Offering Price”** means \$0.10 per Common Share;
- (w) **“Preliminary Prospectus”** means the preliminary prospectus filed by the Issuer with the Regulatory Authorities in connection with the Offering and any amendments to it which may be filed with the Regulatory Authorities;
- (x) **“Proceeds”** means the gross proceeds of the Offering, less:
 - (i) the Agent’s Commission; and
 - (ii) the reasonable expenses of the Agent in connection with the Offering which have not been repaid by the Issuer less any amounts already paid to the Agent by the Issuer as a retainer;
- (y) **“Prospectus”** means both the Preliminary Prospectus and the Final Prospectus; and
- (z) **“Regulatory Authorities”** means the Commissions and the Exchange.
- (aa) **“Securities”** means the Common Shares, the Agent’s Warrant and Agent’s Warrant Shares.

2. APPOINTMENT OF AGENT

- 2.1 The Issuer appoints the Agent as its exclusive agent and the Agent accepts the appointment and agrees to act as the exclusive agent of the Issuer to offer, on a commercially reasonable efforts basis, the Offered Shares for sale at the Offering Price under the Prospectus in the Provinces of Ontario, Alberta and British Columbia.

3. LISTING APPLICATION AND CONDUCT OF THE OFFERING

- 3.1 The closing of the Offering is subject to and conditional on the receipt of all necessary regulatory approvals and on the Issuer obtaining a listing of the Common Shares, including without limitation the Offered Shares and Agent Warrant Shares on the Exchange on or prior to the closing of the Offering.
- 3.2 The Issuer will use its best efforts to obtain a listing of the Common Shares, including without limitation the Offered Shares and Agent’s Warrant Shares on the Exchange.
- 3.3 The Offering will be made in accordance with the rules and policies of the Regulatory Authorities and the Act.

- 3.4 Following the Effective Date and after consulting with the Exchange, the Issuer and the Agent will set the Closing Date, which will be on or before the last day of the Offering Period.
- 3.5 The Issuer will make its officers available for marketing purposes at such times and in locations as the Agent may reasonable request.
- 3.6 After the Offering has been completed, the Issuer and the Agent will file any documents required by the Exchange in order to remove the conditional listing and to permit the Common Shares, including without limitation the Offered Shares to commence trading on the Exchange.
- 3.7 The Agent will advise the Issuer and its counsel when the distribution of Offered Shares under the Prospectus is complete.

4. AGENT'S COMPENSATION

- 4.1 On the Closing Date, the Issuer will
 - (a) pay to the Agent a cash marketing commission (the "**Agent's Commission**") at the rate of 10% of the gross proceeds of the Offering;
 - (b) pay the Agent a corporate finance fee (the "**Corporate Finance Fee**") of \$20,000 (plus H.S.T.), of which \$15,000 (plus H.S.T.) has been paid as a non-refundable deposit and the remaining \$20,000 (plus H.S.T.) is payable upon completion of the Offering; and
 - (c) grant to the Agent, or to the order of the Agent, the Agent's Warrant.
- 4.2 If the Agent retains subagents or receives subscriptions from subagents, the Agent in its sole discretion, may pay them a fee as may be agreed among them, but in no event shall the Issuer be required to pay any amounts in excess of those referred to in this Agreement.
- 4.1 The Agent's Warrant will include, among other things, provisions for the appropriate adjustment in the class, number and price of the shares to be issued under the Agent's Warrant on upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares, the payment of stock dividends or the amalgamation of the Issuer.
- 4.2 The issuance of the Agent's Warrant will not restrict or prevent the Issuer from issuing additional securities or rights during the term of the Agent's Warrant.

4.3

5. DUE DILIGENCE

- 5.1 The Issuer will make available to the Agent and its counsel all corporate and operating records, financial information, financial statements, material agreements,

information concerning the direct and indirect beneficial ownership of its securities and key officers and such other information that the Agent may reasonably require in order to permit a full and complete due diligence investigation of the business and affairs of the Issuer and its subsidiaries and affiliates prior to filing the Preliminary Prospectus and Final Prospectus and the closing of the Offering.

6. CLOSING

- 6.1 If the Agent has satisfied all of its obligations under this Agreement, the Issuer will, on the Closing Date, deliver the Certificates or confirmation of electronic deposit of the Offered Shares and delivery of the Agent's Warrant to the Agent against payment of the Proceeds.
- 6.2 If the Issuer has satisfied all of its obligations under this Agreement, the Agent will, on the Closing Date, pay the Proceeds to the Issuer against delivery of the Certificates.

7. OPINIONS AND CERTIFICATES

- 7.1 On the Effective Date, the Issuer will deliver to the Agent and its counsel in a form acceptable to them, acting reasonably, any certificates, comfort letters and opinions in connection with any matter related to the Prospectus which are requested by the Agent or its counsel, acting reasonably.
- 7.2 On the Closing Date, the Issuer will provide the Agent and its counsel with an opinion of counsel for the Issuer, dated as of the Closing Date and addressed to the Agent and its counsel, relating to the usual and customary legal matters in connection with the Prospectus and Offering for which the Agent may request an opinion, acting reasonably, and a certificate of the Issuer, dated as of the Closing Date and signed by the President of the Issuer and by another officer of the Issuer approved by the Agent, certifying certain facts relating to the Issuer and its affairs.

8. MATERIAL CHANGES

- 8.1 During the period of the distribution of the Offered Shares to the public or such longer period of time, if any, during which the Prospectus continues to be current, the Issuer will:
 - (a) notify the Agent immediately, in writing, of full particulars of any Material Change (actual, anticipated or threatened) in the in the financial condition, business or other affairs of the Issuer or of any change (actual, contemplated or threatened) of any Material Fact;
 - (b) file with the Regulatory Authorities as soon as practicable, and in any event no later than 10 days after the change occurs, an amendment to the Prospectus disclosing the Material Change or adverse Material Change, as the case may be;

- (c) provide as many copies of the amendments to the Agent as the Agent may reasonably request; and
- (d) advise the Agent promptly of any request of the Commissions or Exchange for amendment of the Prospectus or for any additional information, of the issuance by the Commissions, Exchange or any other securities commission, stock exchange or similar regulatory authority, of any cease trading order, halt order or similar order relating to the Common Shares or Offered Shares or the use of the Prospectus, or of the institution or threat of institution of any proceedings for that purpose or of the receipt by the Issuer of any communication from the Commissions, Exchange or any other securities commission, stock exchange or similar regulatory authority relating to the Prospectus or the offering of the Offered Shares. The Issuer will use its best efforts to prevent the issuance of any such cease trading order or halt order and, if issued, to obtain the withdrawal thereof as soon as possible.

9. TERMINATION

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

- (a) an adverse Material Change in the affairs of the Issuer occurs, is announced by the Issuer, or is likely to occur;
- (b) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets, or the business of the Issuer or any subsidiary of the Issuer, or the ability of the Agent to perform its obligations under this Agreement, or a purchaser's decision to purchase the Offered Shares;
- (c) in the opinion of the Agent, it is not in the interest of the purchasers to complete the purchase and sale of the Offered Shares, or it would be impractical or unprofitable to offer or continue to offer the Offered Shares for purchase and sale, due to the state of the financial markets in general or due to the state of the market for the Issuer's securities in particular;
- (d) an enquiry or investigation (whether formal or informal) in relation to the Issuer, or the Issuer's directors or officers, is commenced or threatened by an officer or official of any competent authority;
- (e) any order to cease trade (including communication with persons in order to obtain expressions of interest) the securities of the Issuer is made by a competent regulatory authority and that order is still in effect;
- (f) the Agent is not satisfied, in its sole discretion, with the results of its due diligence investigations;

- (g) the Issuer is in breach of any term of this Agreement; or
- (h) the Agent determines that any of the representations or warranties made by the Issuer in this Agreement are false or have become false in any material respect.

9.2 Unless otherwise agreed to by the parties, this Agreement will terminate if a receipt for the Final Prospectus is not issued by the Commissions within 120 days of the date of this Agreement.

10. PROSPECTUS

10.1 The Issuer will cause the Prospectus to be filed with the Regulatory Authorities, will deliver all necessary copies of the Prospectus to the Regulatory Authorities and will use its best efforts to have the Prospectus accepted by the Regulatory Authorities and the Commissions issue a receipt for the Preliminary Prospectus and the Final Prospectus.

10.2 The Issuer will provide the Agent with as many copies of the Prospectus (and in the event of an amendment thereto, of such amended Prospectus) as the Agent may reasonably request.

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

11. WARRANTIES, REPRESENTATIONS AND COVENANTS

11.1 The Issuer covenants, represents and warrants to the Agent that:

- (a) all information and other data relating to the Issuer furnished by or on behalf of the Issuer in writing to the Agent is, or, in the case of historical information, was at the date of preparation true, accurate, complete and correct in all material respects, and does not or did not, as the case may be, contain any Misrepresentation;

- (b) the Issuer has been duly incorporated and organized and is validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted and as presently proposed to be conducted, to own, lease and operate its properties and assets and to carry out the provisions hereof;
- (c) the Prospectus will contain full, true and plain disclosure of all Material Facts in relation to the Issuer, its business and its securities, and will contain no Misrepresentation;
- (d) the financial statements of the Issuer for the period from incorporation to August 20, 2018 which form part of the Prospectus will have been prepared in accordance with International Financial Reporting Standards, accurately reflect the financial position of the Issuer and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer as at the date of the financial statements, and there will have been no adverse material changes in the financial position of the Issuer since that date, except as fully and plainly disclosed in the Prospectus;
- (e) the authorized and outstanding share capital of the Issuer consists of the share capital disclosed in the Prospectus, and such number of Common Shares are issued and outstanding as is disclosed in the Prospectus, and all of the issued and outstanding Common Shares have been duly issued and are fully paid and non-assessable. No person, firm or corporation has any agreement, option, or right or privilege, whether pre-emptive or contractual, capable of becoming an agreement, including convertible securities, for the purchase, subscription or issuance of any unissued Common Shares or other securities of the Issuer except as disclosed in the Prospectus.
- (f) the Issuer is not in default or breach of, and the execution and delivery of, and the performance and compliance with the terms of this Agreement does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, in any material respect, any term or provisions of the articles, by-laws, or resolutions of the Issuer, or any indenture, agreement (written or oral), lease or other document to which the Issuer is a party or by which it is bound, or any judgment, decree or order, or to its knowledge, statute, rule or regulation applicable to the Issuer, which default or breach might reasonably be expected to materially adversely affect the business, operations, assets, capital or condition (financial or otherwise) of the Issuer;
- (g) this Agreement is a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to the laws relating to creditors' rights generally and equitable remedies and except to the extent that the enforcement of rights to indemnity and waiver of contribution may be limited by applicable law;

- (h) all necessary corporate action has been taken by the Issuer to issue the Securities and the Issuer has full corporate authority and capacity to issue the Securities and on the Closing Date: (i) the Offered Shares will be duly and validly authorized and issued as fully paid and non-assessable Common Shares; (ii) the Agent's Warrant will be duly and validly created, authorized and issued; and (iii) the common shares of the Issuer issuable pursuant to the exercise of the Agent's Warrant will be issued as fully paid and non-assessable upon exercise of the Agent's Warrant in accordance with its terms;
- (i) the Issuer has not, directly or indirectly, declared or paid any dividends or declared or made any other distribution on any of its Common Shares or any other shares of any class since incorporation.
- (j) no consent of any third party is required in connection with the transactions contemplated by this Agreement, except the consent of the Exchange and except to the extent that this Agreement contemplates obtaining receipts for the Prospectus;
- (k) no litigation, administrative proceeding, arbitration or other proceeding before or of any court, tribunal, arbitrator or regulatory or other governmental body or dispute with any regulatory or other governmental body is presently in process or, to the best of the knowledge and information of the Issuer, pending or threatened against the Issuer which, if determined adversely to the Issuer might have a material adverse effect on the financial condition, results of operations, business or prospects of the Issuer, or which would materially impair the ability of the Issuer to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations herein;
- (l) the Issuer has conducted its activities in connection with the Offering in compliance with all applicable laws and regulatory requirements;
- (m) the Issuer shall not reject any subscription for Offered Shares tendered by the Agent, unless all such subscriptions tendered exceed the number of Offered Shares offered pursuant to the Offering;
- (n) there is not presently, and will not be until the conclusion of the distribution under the Prospectus, any Material Change or change in any Material Fact relating to the Issuer, its business or its securities which has not been or will not be fully disclosed in the Prospectus or otherwise to the Agent; and
- (o) other than the Agent, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finders' fee in connection with the transactions described herein.
- (p) to the knowledge of management of the Issuer, none of the directors or senior officers of the Issuer, any holder of more than ten (10%) percent of

its outstanding Common Shares, any Promoters of the Issuer, or any Associates or Affiliates of any of the foregoing persons or companies (as “Promoters”, “Associates” or “Affiliates” are defined in the Securities Legislation) has had any material interest, direct or indirect, in any material transaction within the three (3) years prior to the date of the Preliminary Prospectus, has any material interest, direct or indirect, in any material transaction which, as the case may be, materially affects, is material to or will materially affect the Issuer, except as stated in the Prospectus, in which are fully set forth all relevant particulars required by the Securities Legislation.

- (q) the Issuer does not own or have any interest in any asset or property of any kind whatsoever, other than cash or deposits with financial institutions, and, without limiting the generality of the foregoing, the Issuer does not have an Agreement in Principle (as “Agreement in Principle” is defined in the CPC Policy).
- (r) the Issuer has undertaken no business since the date of its incorporation, except as permitted by the CPC Policy.
- (s) the net proceeds received by the Issuer from the sale of the Offered Shares and any Common Shares sold prior to the date of the Prospectus will be applied for the specific purposes more particularly set forth under “Use of Proceeds” in the Prospectus and the Issuer has advised the Issuer’s directors and officers of the requirements and restriction on the use of the net proceeds set out in Section 8 of the CPC Policy.
- (t) the Issuer has not made and will not make any payments which are prohibited by the CPC Policy.

11.2 All statements, facts, data, information and materials provided from time to time by the Issuer in writing to the Agent relating to the Issuer, the directors and officers of the Issuer or, if applicable, the Issuer’s potential Qualifying Transaction (as that term is defined in the CPC Policy) are true and correct and all material facts relating to the subject matter have been fully disclosed to the Agent and such statements, facts, data, information and materials did not and do not contain a Misrepresentation.

11.3 The Issuer has advised the directors and officers of the Issuer about:

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

Securities Legislation, including, without limitation, Policies 3.2 and 3.3 of the Exchange's Corporate Finance Manual.

- 11.4 The Agent warrants, represents and covenants to the Issuer that:
- (a) it is a valid and subsisting corporation under the laws of the jurisdiction in which it was organized;
 - (b) it is a member in good standing of the Exchange; and
 - (c) it has complied with and will fully comply with the requirements of all applicable securities laws, including, without limitation, the by-laws and rules of the Exchange in relation to trading in the Common Shares and all matters relating to the Offering;
 - (d) it shall:
 - (i) provide all such notices and documents as may be required in connection with the Offering, including those required for the Prospectus by the orders, policies, rules, regulations, by-laws and procedures of the Commissions (including the Act) and the Exchange which govern capital pool company offerings (including the Exchange Policy 2.4), as amended from time to time; and
 - (ii) deliver to the Exchange as soon as reasonably possible after the Closing Date, a Distribution Summary Statement as required by the policies of the Exchange.

12. EXPENSES OF AGENT

- 12.1 The Issuer will pay all of the reasonable expenses of the Offering, whether or not the Offering is completed, and all the expenses reasonably incurred by the Agent in connection with the Offering including, without limitation, travel expenses, searches and other direct costs incurred by the Agent to complete the due diligence process, as well as reasonable legal fees (subject to a maximum of \$15,000 unless prior to such legal fees being incurred, the Issuer approves legal fees in excess of \$15,000) and disbursements of the solicitors for the Agent. The Issuer will also pay any exigible HST on the foregoing amounts.
- 12.2 The Issuer will pay the expenses referred to in Section 12.1 even if the Prospectus and this Agreement are not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed, or this Agreement is terminated, unless the failure of acceptance or completion or the termination is the result of a breach of this Agreement by the Agent.
- 12.3 The Agent may, from time to time, render accounts for its expenses to the Issuer for payment on or before the dates set out in the accounts.

- 12.4 The Issuer will authorize the Agent to deduct its reasonable expenses in connection with the Offering from the proceeds of the Offering, including expenses for which an account has not yet been rendered to the Issuer upon delivery to, and review by, the Issuer of the account, such authorization not to be unreasonably withheld.

13. INDEMNITY AND CONTRIBUTION

- 13.1 The Issuer (in this section referred to as the “**Indemnitor**”) hereby agrees to indemnify and hold the Agent and each and every of the directors, officers, employees, sub-Agent (if any) and shareholders of the Agent (hereinafter referred to as the “**Personnel**”) harmless from and against any and all expenses, losses, claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agent to which the Agent and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agent and its Personnel hereunder or otherwise in connection with the matters referred to in this Agreement, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) the Agent or their Personnel have been negligent or exercised bad faith in the course of such performance; and
- (b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, dishonesty or fraud referred to in (a).

- 13.2 If for any reason (other than the occurrence of any of the events itemized in Section 13.1(a) and 13.1(b)(a) above), the foregoing indemnification is unavailable to the Agent or insufficient to hold them harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agent on the other hand but also the relative fault of the Indemnitor and the Agent, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability any excess of such amount over the amount of the fees received by the Agent hereunder pursuant to the Agreement.

- 13.3 The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agent by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or the Agent and any

Personnel of the Agent shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agent, the Agent shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by its Personnel in connection therewith) and out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Indemnitor as they occur.

- 13.4 Promptly after receipt of notice of the commencement of any legal proceeding against the Agent or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agent will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed.
- 13.5 The indemnity and contribution obligations of the Indemnitor shall be in addition to, and not in substitution for, any liability which the Indemnitor or any other person may otherwise have to the Agent or any of its Personnel at law or in equity, shall extend upon the same terms and conditions to the Personnel of the Agent, shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agent and any of the Personnel of the Agent, and shall remain in full force and effect regardless of any investigation made by or on behalf of the Agent.

14. PRESS RELEASES

- 14.1 No public announcement or press release concerning this Agreement or any other instrument relating hereto, or the relationship between the Issuer and the Agent shall be made without the prior written consent of the Agent and the Issuer, each acting reasonably.

15. ASSIGNMENT AND SELLING GROUP PARTICIPATION

- 15.1 The Agent will not assign this Agreement or any of its rights under the Agreement nor, with respect to the Securities, enter into any agreement in the nature of an option or a sub-option unless and until, for each intended transaction, the Agent has obtained the written consent of the Issuer and notice has been given to and accepted by the Regulatory Authorities.
- 15.2 The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investment dealers, who may or who may not be offered part of the commissions to be received by the Agent pursuant to this Agreement.

16. NOTICE

- 16.1 Any notice under this Agreement must be given in writing and must be delivered, sent by facsimile transmission or mail by prepaid post and addressed to the party to which notice is to be given at the address, e-mail address or facsimile number indicated on the front page of this Agreement, or at another address or number designated by such party in writing.
- 16.2 If notice is sent by e-mail or facsimile or is delivered during normal business hours, it will be deemed to have been given at the time of transmission or delivery. If it is sent by e-mail or facsimile or is delivered outside of business hours it will be deemed to have been received on the next business day.
- 16.3 If notice is mailed, it will be deemed to have been received 72 hours following the date of mailing.
- 16.4 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or during the 72 hours immediately after the time a notice is mailed, the notice will be sent by e-mail, facsimile transmission or will be delivered.

17. TIME

- 17.1 Time is of the essence of this Agreement.

18. SURVIVAL

- 18.1 Section 4, Section 12, Section 21 and the representations, warranties, covenants and indemnities of the parties contained in this Agreement will survive the closing of the purchase and sale of the Securities.

19. LANGUAGE

- 19.1 This Agreement is to be read with all changes in gender and number as required by the context.

20. ENTIRE AGREEMENT

- 20.1 This Agreement, together with the agreements and other documents to be delivered pursuant hereto, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes any and all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties, including without limitation the Engagement Letter and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof except as specifically set forth herein and therein.

21. SEVERABILITY

- 21.1 If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or

unenforceability shall not affect any other provision of this Agreement but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

22. ENUREMENT

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

23. HEADINGS

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

24. LAW

24.1 This Agreement will be governed by, subject to and interpreted in accordance with the laws prevailing in the Province of Ontario and the federal laws of Canada applicable therein, and the courts of the Province of Ontario will have exclusive jurisdiction over any dispute arising in connection with this Agreement.

25. COUNTERPARTS

25.1 This Agreement may be executed in as many counterparts as may be necessary and by facsimile and such counterparts together will constitute one and the same instrument and notwithstanding the date of execution will be deemed to bear the date as of the day and year first above written.

THE PARTIES, intending to be contractually bound, have executed this Agreement as of the date and year first above written.

PINEHURST CAPITAL II INC.

Per: Signed "David Rosenkrantz"

Name: David Rosenkrantz

Title: Director, President, CEO and CFO

M PARTNERS INC.

Per: Signed "Steve Isenberg"

Name: Steve Isenberg

Title: President