AGENCY AGREEMENT

THIS AGREEMENT dated for reference April 27, 2011

BETWEEN

KEY VENTURE CAPITAL INC., 4510 NW Marine Drive, Vancouver, British Columbia, V6R 1B8

(the "Issuer")

AND

MACKIE RESEARCH CAPITAL CORPORATION, Suite 1550 – 335 8th Avenue SW, Calgary, Alberta, T2P 1C9

(the "Agent")

WHEREAS:

A. The Issuer wishes to offer a minimum of 3,000,000 common shares and a maximum of 5,000,000 common shares of the Issuer (the "Shares") at a price of $0.10 per Share for aggregate gross proceeds of a minimum of $300,000 and a maximum of $500,000 for the purposes set forth in the Prospectus, which is to be filed with the Commissions and the Exchange; and

B. The Issuer wishes to appoint the Agent as its exclusive agent in connection with the distribution of the Shares, and the Agent is willing to accept the appointment on the terms and conditions of this Agreement.

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

1. DEFINITIONS

1.1 In addition to the terms defined above or elsewhere in this Agreement, and unless expressly provided otherwise, where used in this Agreement or any exhibit hereto, the following terms will have the following meanings, respectively:

(a) "Act" means the British Columbia *Securities Act*, as amended from time to time;

(b) "Agent's Fee" means the cash fee which is set out in Section 7 of this Agreement and which is payable by the Issuer to the Agent in consideration of the services performed by the Agent under this Agreement;

(c) "Agent's Option" means the non-transferable option to purchase the Agent's Option Shares to be issued to the Agent as part of the Agent's Fee which has the terms provided for in Section 7 of this Agreement and the certificate representing such option;

(d) “Agent’s Option Shares” means the minimum of 300,000 and the maximum of 500,000 previously unissued common shares in the capital of the Issuer which common shares will be issued to the Agent upon exercise of the Agent’s Option;

(e) “Agreement” means this agreement between the Issuer and the Agent;

(f) “Applicable Legislation” means the securities acts in the Selling Provinces, together with all the regulations and rules made and promulgated thereunder and all policies, instruments, notices, and other administrative directions issued by the Commissions;

(g) “Certificates” means the certificates representing the Shares and the Agent’s Option;

(h) “Closing” means the closing of the Distribution;

(i) “Closing Date” means the day on which the Closing occurs and Shares are issued to the Purchasers;

(j) "Closing Time" means 11:00 a.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as the Issuer and the Agent may agree;

(k) “Commissions” means the securities commissions in the Selling Provinces;

(l) “Corporate Finance Fee” means the fee in the amount of $10,000 plus HST to be paid to the Agent by the Issuer in consideration of corporate finance and structuring services provided by the Agent;

(m) “Distribution” means the distribution of the Shares and the Agent’s Option pursuant to the Prospectus;

(n) “Effective Date” means the date on which a receipt for the final Prospectus is issued by the Principal Regulator;

(o) “Exchange” means the TSX Venture Exchange;

(p) “Listing Date” means the date the Shares are listed on the Exchange;

(q) “Material Change” has the meaning defined in the Act;

(r) “Material Fact” has the meaning defined in the Act;

(s) “Misrepresentation” has the meaning defined in the Act;

(t) “Offering” means the offering of the Shares under the Prospectus;

(u) “Offering Price” means $0.10 per Share;

(v) “Principal Regulator” means the British Columbia Securities Commission;

(w) “Proceeds” means the gross proceeds of the Offering, less:

  (i) that portion of the Agent’s Fee which is payable in cash;

  (ii) that portion of the Corporate Finance Fee which has not previously been paid by the Issuer to the Agent; and

  (iii) all costs and expenses of or incidental to the services of the Agent in connection with the Offering, including external consultants and legal counsel retained by the Agent, which have not previously been paid by the Issuer, such costs and expenses not to exceed $2,500 without the prior written consent of the Issuer;

(x) “Prospectus” means the preliminary prospectus and 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 the preliminary prospectus and final prospectus which may be filed with the Regulatory Authorities;

(y) “Purchasers” means the purchasers of Shares pursuant to the Offering;

(z) “Qualifying Transaction” has the meaning set out in policy 2.4 of the Exchange’s policy manual;

(aa) “Regulatory Authorities” means the Commissions and the Exchange;

(bb) “Securities” means the Shares, the Agent’s Option, and the Agent’s Option Shares;

(cc) “Selling Provinces” means British Columbia, Alberta and Ontario;

(dd) “Shares” means a minimum of 3,000,000 common shares and a maximum of 5,000,000 common shares of the Issuer to be offered by the Issuer pursuant to the Prospectus having the terms provided for in this Agreement; and

(ee) “Sponsor” has the meaning set out in the Exchange’s policy manual, as amended from time to time.

1.2 The division of this Agreement into sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections are to sections of this Agreement.

1.3 In this Agreement, words importing the singular number only will include the plural and vice versa and words importing gender will include all genders.

1.4 All amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder will be made in such currency.

2. APPOINTMENT OF AGENT

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 a minimum of 3,000,000 Shares and a maximum of 5,000,000 Shares under the Prospectus at the Offering Price on a commercially reasonable efforts basis.

3. OFFERING TERMS

3.1 The Agent will offer the Shares for sale in the Selling Provinces on a commercially reasonable efforts basis in accordance with the Applicable Legislation and the policies of the Exchange.

3.2 Residents of the Selling Provinces may subscribe for Shares by delivering to the Agent on or prior to the applicable Closing Date:

(a) payment of the aggregate subscription price in a manner acceptable to the Agent; and

(b) such documents, certificates and forms as, in the opinion of the Agent may be required.

3.3 All funds received by the Agent for subscriptions will be held in trust by the Agent pending Closing of the Offering.

3.4 The Shares will be issued in the names of the Purchasers or as directed by the Agent and certificates representing the Shares will be delivered on the Closing Date.

3.5 Notwithstanding any other term of this Agreement, all subscription funds received by the Agent will be returned to subscribers without interest or deduction if the Closing does not occur by the deadlines stipulated in Section 5.2.

4. FILING OF PROSPECTUS

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

4.2 The Issuer will provide the Agent with as many copies of the Prospectus as the Agent reasonably requests, and the Agent will deliver to each Purchaser a copy of the Prospectus sufficiently in advance of the Closing Date such that withdrawal rights under the Applicable Legislation will have expired by the Closing Time.

4.3 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 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 as at the date of the final Prospectus or any amendment to the final

Prospectus, constitute full, true and plain disclosure of all Material Facts relating to the Issuer and the Securities and that no Material Fact or material information has been omitted therefrom (except facts or information relating solely to the Agent) which is required to be stated therein or is necessary to make statements of information contained therein not misleading in light of the circumstances under which they were made. Such delivery 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 Shares in compliance with this Agreement and with the Applicable Legislation.

5. LISTING APPLICATION AND CONDUCT OF THE OFFERING

5.1 Prior to the Effective Date, the Issuer will make application to list the Issuer's common shares on the Exchange and conditional approval of such application must be obtained from the Exchange prior to Closing. Provided that the Issuer is not in breach of its obligations under this Agreement, the Agent will use its commercially reasonable efforts to cause all documents required of the Agent to be filed by it with the Exchange, as may be required by the rules and policies of the Exchange.

5.2 Following the Effective Date and after consulting with the Exchange, the Issuer and the Agent will set the Closing Date. Unless an amendment to the Prospectus is filed and the Principal Regulator has issued a receipt for such amendment, the Closing Date will be on or before the day which is 90 days after the Effective Date. If an amendment to the Prospectus is filed and the Principal Regulator has issued a receipt for the amendment, the Closing Date will be on or before a date which is 90 days after the date of receipt for such amendment, provided however that the Closing Date will not be more than 180 days from the Effective Date.

5.3 The Issuer will take all necessary steps to complete and file with the Exchange its application for listing with all other documentation required by the Exchange, to allow for the listing of the Issuer's common shares on the Exchange, which is to occur no earlier than 10 days after the Closing Date unless otherwise agreed to by the Agent.

5.4 The Agent will advise the Issuer and its counsel in writing when the Distribution under the Prospectus is complete.

6. OPINIONS AND CERTIFICATES

6.1 Prior to submitting the final Prospectus to the Regulatory Authorities in connection with the Issuer's request for a final receipt from the Commissions, the Issuer will deliver the following documents to the Agent and its counsel in a form acceptable to them:

(a) a comfort letter from the auditor of the Issuer, dated as of the date of the Prospectus and addressed to the Agent and its counsel, relating to the accuracy of the financial statements forming part of the Prospectus and the accuracy of the financial, numerical and certain other information disclosed in the Prospectus; and

(b) any other certificates, comfort letters or opinions in connection with any matter related to the Prospectus which are reasonably requested by the Agent or its counsel.

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

(a) evidence of the necessary approval of the Regulatory Authorities for the Offering;

(b) an opinion of counsel for the Issuer, dated as of the Closing Date and addressed to the Agent and its counsel, relating to any legal matter in connection with the creation, issuance and sale of the Securities for which the Agent may reasonably request an opinion;

(c) a certificate of the Issuer, dated as of the Closing Date and signed by the chief executive officer and chief financial officer of the Issuer or such other officers approved by the Agent, certifying certain facts relating to the Issuer and its affairs; and

(d) any other certificates, comfort letters or opinions in connection with any matter related to the Offering which are reasonably requested by the Agent or its counsel.

7. AGENT'S FEE

7.1 In consideration of the services performed by the Agent under this Agreement, the Issuer agrees to pay to the Agent on Closing an Agent's Fee consisting of:

(a) a cash commission equal to 10% of the gross proceeds received by the Issuer from the sale of the Shares under the Offering, to be paid and satisfied by certified cheque, wire transfer or bank draft payable to the order of the Agent, or in any other manner agreed to by the Issuer and Agent;

(b) the Agent's Option to the Agent or to members of its selling group as directed by the Agent entitling the Agent to purchase up to such number of Agent's Option Shares as is equal to 10% of the number of Shares sold under the Offering; and

(c) a non-refundable Corporate Finance Fee of $10,000 plus HST, which has been paid to the Agent.

7.2 The Agent's Option will be represented by certificates, and will be non-transferable except as permitted by Applicable Legislation and any order granted by the Commissions.

7.3 The Agent's Option will entitle the holder, on exercise, to purchase up to such number of Agent's Option Shares as is equal to 10% of the number of Shares sold under the Offering, at a price of $0.10 per Agent's Option Share for a period of 24 months from the Listing Date.

7.4 The Agent may exercise the Agent's Option in whole or in part before the completion of the Qualifying Transaction, provided that no more than 50% of the aggregate number of Agent's

Option Shares which can be acquired by the Agent on the exercise of the Agent's Option may be sold by the Agent before the completion of the Qualifying Transaction.

7.5 The Issuer will also pay the Agent, on Closing of the Offering or termination of this Agreement, all reasonable expenses and fees in connection with the Offering as set out in Section 12 of this Agreement.

7.6 The issue of the Agent's Option will not restrict or prevent the Issuer from obtaining any other financing, nor from issuing additional securities or rights during the period within which the Agent's Option is exercisable.

7.7 If the Agent is willing to proceed with the Offering but the Issuer is unwilling or unable to complete the Offering, notwithstanding anything else in this Agreement, the Corporate Finance Fee and the expenses and fees incurred by the Agent will be paid to the Agent by the Issuer.

8. CLOSING

8.1 The Closing will take place on the Closing Date.

8.2 If the Agent has satisfied all of its obligations under this Agreement, on Closing, the Issuer will deliver the Certificates, through its registrar and transfer agent, to the Agent against payment of the Proceeds and delivery by the Agent to the Issuer of a written description and reconciliation of all expenses and other amounts deducted from the gross proceeds of the Offering.

8.3 If the Issuer has satisfied all of its obligations under this Agreement, on Closing, the Agent will pay the Proceeds to the Issuer against delivery of the Certificates.

8.4 The obligation of the Agent to pay the Proceeds to the Issuer will be subject to the following conditions precedent:

(a) the Agent has completed due diligence on the Issuer, its business, management and properties, to the satisfaction of the Agent;

(b) the Issuer will have performed or complied with each covenant and obligation herein provided on its part to be performed or complied with;

(c) each of the representations and warranties of the Issuer herein will continue to be true on Closing, and the Issuer will provide to the Agent a certificate of the Issuer, dated as of the Closing Date and signed by the chief executive officer and chief financial officer of the Issuer or such other officers approved by the Agent, confirming the foregoing; and

(d) the Issuer will have, to the satisfaction of the Agent's counsel, taken or caused to be taken all steps and proceedings which may be requisite under the Applicable Legislation to qualify the Distribution of (a) the Shares to the public in the Selling Provinces through registrants who have complied with the provisions of the

Applicable Legislation, and (b) the Agent's Option to the Agent, including the filing and the obtaining of a receipt for each of the preliminary and final Prospectus.

8.5 The obligation of the Issuer to issue and deliver the Certificates to the Agent will be subject to the following conditions precedent:

(a) the Agent will have performed or complied with each covenant and obligation herein provided on its part to be performed or complied with; and

(b) each of the representations and warranties of the Agent herein will continue to be true on Closing.

9. MATERIAL CHANGES

9.1 If, after the Prospectus is filed with the Regulatory Authorities but before the conclusion of the Distribution, a Material Change or change in a Material Fact occurs in the affairs of the Issuer, the Issuer will:

(a) notify the Agent immediately, in writing, with full particulars of the change;

(b) in respect of a Material Change, file with the Regulatory Authorities as soon as practicable, and in any event no later than 10 days after the Material Change occurs, an amendment to the Prospectus in a form acceptable to the Agent disclosing the Material Change; and

(c) provide as many copies of that amendment to the Agent as the Agent may reasonably request.

9.2 The Issuer will in good faith discuss with the Agent any fact or change in circumstances (actual and anticipated, contemplated or threatened, whether financial or otherwise) which is of such a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to Section 9.1.

10. TERMINATION

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

(a) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets or the business of the Issuer or any subsidiary of the Issuer or the ability of the Agent to perform its obligations under this Agreement or an investor's decision to purchase Shares;

(b) an adverse Material Change or change in a Material Fact relating to any of the Securities occurs or is announced by the Issuer;

(c) following a consideration of the history, business, products, property or affairs of the Issuer or its principals and promoters, or the state of the financial markets in general, or the state of the market for the Issuer's securities in particular, or the possibility of investors exercising their statutory rights to withdraw from a purchase of the Issuer's securities, the Agent determines, in its sole discretion, that it is not in the interest of investors to complete the Offering;

(d) the Securities cannot, in the opinion of the Agent, be marketed due to the state of the financial markets, or the market for the Shares in particular;

(e) an enquiry or investigation (whether formal or informal) in relation to the Issuer, or the Issuer's directors, officers or promoters, is commenced or threatened by an officer or official of any regulatory authority;

(f) any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Issuer is made by a regulatory authority and that order is still in effect;

(g) the Offering has not been completed on or before the date which is 90 days following the date that the receipt for the final Prospectus is issued by the Principal Regulator, unless an amendment to the Prospectus has been filed and the Principal Regulator has issued a receipt for such amendment;

(h) the Issuer is in breach of any term of this Agreement;

(i) the Agent determines that any of the representations or warranties made by the Issuer in this Agreement is false or has become false; or

(j) the Agent is prevented by an event which is not within its control from carrying out its obligations hereunder.

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

10.3 The Agent, at its sole discretion, may terminate this Agreement in writing if a receipt for the final Prospectus is not issued by the Principal Regulator within 20 days of the reference date of this Agreement.

11. WARRANTIES, REPRESENTATIONS, AND COVENANTS

11.1 The Issuer warrants and represents to the Agent that:

(a) the Issuer is valid and subsisting corporation duly incorporated and in good standing under the laws of the jurisdiction in which it was incorporated;

(b) the Issuer is duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;

(c) the Issuer has full corporate power and authority to carry on its business as now carried on by it and to undertake the Offering and this Agreement has been, or will be by the Closing, duly authorized by all necessary corporate action on the part of the Issuer;

(d) all of the material transactions of the Issuer have been promptly and properly recorded or filed in its books or records and its minute books or records contain all records of the meetings and proceedings of its directors, shareholders, and other committees, if any, since conception;

(e) the Issuer has not entered into a transaction of a nature material to the Issuer, including the identification of a proposed Qualifying Transaction;

(f) the Issuer has not reached an Agreement in Principle, as such term is defined in Policy 2.4 of the Exchange, and the board of directors of the Issuer has not reached a "meeting of minds" with the other parties to a Qualifying Transaction on the fundamental terms of a Qualifying Transaction in respect of which no material conditions exist the satisfaction of which is outside the control of the Issuer;

(g) the Issuer has not made any payment which is prohibited under Section 8 – *Prohibited Payments* of Policy 2.4 of the Exchange, and the Issuer's directors and officers have been advised of the requirements and restrictions on the use of the Proceeds set out in Section 8 – *Prohibited Payments* of Policy 2.4 of the Exchange;

(h) the Issuer has no subsidiaries;

(i) the authorized and issued capital of the Issuer is as disclosed in the Prospectus, and the issued and outstanding common shares of the Issuer are fully paid and non-assessable and, except as disclosed in the Prospectus, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of the Issuer or any other security convertible into or exchangeable for any such shares, or to require the Issuer to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;

(j) as at the date of the Prospectus, the Prospectus will contain full, true and plain disclosure of all Material Facts in relation to the Issuer, its business and its securities, will contain no Misrepresentations, will be accurate in all material respects and will omit no fact, the omission of which will make such representations misleading or incorrect;

(k) all financial, marketing, sales and operational information provided to the Agent do not contain any Misrepresentations;

(l) the Issuer has not committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed of any part of its assets, had any encumbrancer or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it, and at the time of Closing, the Issuer will not be an insolvent person (as that term is defined in the *Bankruptcy and Insolvency Act* (Canada));

(m) the Issuer maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with Canadian generally accepted accounting principles and to maintain asset accountability, (C) access to monies and investments is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(n) the Issuer is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and to the best of the Issuer's knowledge no such actions, suits or proceedings are contemplated or have been threatened;

(o) there are no judgments against the Issuer which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer is subject;

(p) no order ceasing, halting or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to and is outstanding against the Issuer or its directors, officers or promoters or against any other companies that have common directors, officers or promoters except as disclosed in the Prospectus, and no investigations or proceedings for such purposes are pending or threatened;

(q) the Issuer has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Issuer except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer which are known by the Issuer's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Issuer;

(r) the financial statements of the Issuer which form part of the Prospectus have been prepared in accordance with Canadian generally accepted accounting principles, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer as at the date of the financial statements and there have been no adverse material changes in the financial position of the Issuer since the date thereof, and the business of the Issuer has been carried on in the usual and ordinary course consistent with past practice except as fully and plainly disclosed in the Prospectus;

(s) there has never been a reportable event (within the meaning of National Instrument 51-102) with the auditors of the Issuer;

(t) the Issuer has to the best of the Issuer's knowledge complied and will comply fully with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, Applicable Legislation and its regulations and the *Business Corporations Act* (British Columbia) in relation to the issue and trading of its securities and in all matters relating to the Offering;

(u) to the best of the Issuer's knowledge, it is in compliance with all applicable laws, regulations and statutes (including all environmental laws and regulations) in the jurisdictions in which it carries on business and which may materially affect the Issuer, has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations and statutes, and is not aware of any pending change or contemplated change to any applicable law or regulation or governmental position that would materially affect the business of the Issuer or the business or legal environment under which the Issuer operates;

(v) the Issuer does not handle any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances in its operations;

(w) the issue and sale of the Securities by the Issuer does not and will not conflict with, and does not and will not result in a breach of, or constitute a default under (A) to the best of its knowledge, any statute, rule or regulation applicable to the Issuer including, without limitation, the Applicable Legislation; (B) the constating documents, articles or resolutions of the Issuer which are in effect at the date hereof; (C) any agreement, debt instrument, mortgage, note, indenture, instrument, lease or other document to which the Issuer is a party or by which it is bound; or (D) any judgment, decree or order binding the Issuer or the property or assets of the Issuer;

(x) the final Prospectus contains and will on Closing contain disclosure of all Material Changes and Material Fact relating to the Issuer, and there will not be after the date of the final Prospectus until Closing of the Distribution any Material Change that is not disclosed in an amendment to the Prospectus;

(y) the Issuer has filed all federal, provincial, local and foreign tax returns which are required to be filed, or has requested extensions thereof, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, or any amounts due and payable to any governmental authority, to the extent that any of the foregoing is due and payable;

(z) other than disclosed in the Prospectus, the Issuer does not have any loans or other indebtedness outstanding which have been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at “arm’s length” (as such term is used in the *Income Tax Act* (Canada));

(aa) other than disclosed in the Prospectus, other than the Agent, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finder’s fee in connection with the transactions described herein;

(bb) the directors and officers of the Issuer have or will have been provided with a copy of the the Prospectus for their review, and the directors have or will have duly approved the Prospectus at the respective times they are filed with the Regulatory Authorities and will have authorized distribution of copies of the Prospectus by the Agent in connection with the Offering;

(cc) as at the date hereof the minute books of the Issuer are true, complete and correct in all material respects and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof, and

(i) the Issuer has advised the directors and officers of the Issuer of: 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 – *Directors, Officers, Other Insiders & Personnel and Corporate Governance* of the Exchange's Corporate Finance Manual; and

(ii) the obligations of the Issuer to prepare, file, publish and disseminate, as applicable, such information and documentation as may be required by the Applicable Legislation, including, without limitation, Policies 3.2 – *Filing Requirements and Continuous Disclosure* and 3.3 – *Timely Disclosure* of the Exchange's Corporate Finance Manual; and

(dd) the warranties and representations in this section are true and correct and will remain so as of the Closing of the Distribution under the Prospectus.

11.2 The Issuer covenants with the Agent that:

(a) the Issuer will reserve or set aside sufficient common shares in its treasury to issue the Shares and Agent's Option Shares;

(b) the Issuer will not take any action which would be reasonably expected to result in the delisting or suspension of its common shares on or from the Exchange or on or from any stock exchange, market or trading or quotation facility on which its common shares are listed or quoted for a period of 24 months from the Listing Date and the Issuer will comply, in all material respects, with the rules and regulations thereof; and

(c) no press release will be issued in the United States by the Issuer concerning the Offering and any press release issued by the Issuer concerning the Offering will include the following legend:

"Not for distribution to U.S. news wire services or dissemination in the United States."

11.3 The Agent warrants and represents to the Issuer that:

(a) it is a valid and subsisting corporation under the law of the jurisdiction in which it was incorporated, continued or amalgamated;

(b) it is a member in good standing of the Exchange;

(c) it has complied with and will fully comply with the requirements of all applicable securities laws, including, without limitation, the Applicable Legislation, its rules and regulations and the by-laws and rules of the Exchange, in relation to trading in the Securities and all matters relating to the Offering;

(d) this Agreement has been authorized by all necessary corporate action on the part of the Agent and is a valid and binding obligation of the Agent enforceable in accordance with its terms; and

(e) the Agent is registered under Applicable Legislation as a dealer in the Selling Provinces.

11.4 The Agent will deliver:

(a) to each purchaser of Shares under the Offering a copy of the Prospectus; and

(b) to the Exchange as soon as reasonably possible after the Closing Date, a Distribution Summary Statement as required by Section 3.2 of Policy 2.3 of the Exchange.

12. EXPENSES OF AGENT

12.1 The Issuer will pay all of the expenses of the Offering and all the expenses reasonably incurred by the Agent in connection with the Offering including, without limitation, the reasonable fees and disbursements of the solicitors for the Agent. The Issuer has paid to the

Agent a retainer in the amount of $7,500 in connection with the Agent's fees and expenses receipt of which is acknowledged by the Agent. Aside from legal fees and disbursements, the Agent's other expenses may not exceed $2,500 without the consent of the Issuer.

12.2 The Issuer will pay the expenses referred to in the previous section 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 to the Issuer for its expenses for payment on the dates set out in the accounts.

12.4 The Issuer authorizes the Agent to deduct its reasonable expenses in connection with the Offering from the gross proceeds of the Offering including reasonable expenses for which an account has not yet been rendered to the Issuer, provided that a complete accounting of all expenses is rendered in connection with the Closing.

13. FINANCING RIGHT OF FIRST REFUSAL

13.1 Subject to Closing of the Distribution, the Issuer, or any successor corporation, will notify the Agent in writing (the "**Financing ROFR Notice")**, in its discretion, acting reasonably, of the terms of any further brokered or underwritten equity or debt financings that it requires or proposes to obtain during the period which expires on the day that is 24 months following the Listing Date and the Agent will have the right of first refusal to provide any such financing (the "**Financing ROFR**").

13.2 The Financing ROFR may be exercised by the Agent within 10 business days following the receipt of the Financing ROFR Notice (the "**Financing ROFR Expiry Date**") by notifying the Issuer in writing that it will provide such financing on terms no less favourable to Issuer and the Agent than as set out in the Financing ROFR Notice.

13.3 If the Agent fails to give written notice to the Issuer before the Financing ROFR Expiry Date that it will provide such financing upon the terms set out in the Financy ROFR Notice, the Issuer will then be free to make other arrangements to obtain financing from another source on the same terms or on terms no less favourable to the Issuer, subject to obtaining the acceptance of the Regulatory Authorities, for a period of sixty (60) days from the Financing ROFR Expiry Date. Thereafter, the Financing ROFR Notice will be deemed to have expired and the Issuer must deliver a new Financing ROFR Notice to the Agent if in future the Issuer requires or proposes to obtain any brokered or underwritten equity or debt financings.

13.4 If the Agent fails to exercise the Financing ROFR with respect to any particular financing, then the Financing ROFR will not terminate in respect of any future brokered or underwritten equity or debt financings to be undertaken by the Issuer or any successor corporation.

14. SPONSOR RIGHT OF FIRST REFUSAL

14.1 Subject to Closing of the Distribution, the Issuer, or any successor corporation, will notify the Agent in writing (the "**Sponsor ROFR Notice**"), in its discretion, acting reasonably, of the terms of any proposed sponsorship of a Qualifying Transaction during the period which expires on the day that is 24 months following the Listing Date and the Agent will have the right of first refusal to act as Sponsor in respect of such Qualifying Transaction (the "**Sponsor ROFR**").

14.1 The Sponsor ROFR may be exercised by the Agent within 10 business days following the receipt of the Sponsor ROFR Notice (the "**Sponsor ROFR Expiry Date**") by notifying the Issuer in writing that it will act as Sponsor of such Qualifying Transaction on terms no less favourable to the Issuer and the Agent than as set out in the Sponsor ROFR Notice.

14.2 If the Agent fails to give written notice to the Issuer before the Sponsor ROFR Expiry Date that it will act as Sponsor of such Qualifying Transaction, the Issuer will then be free to make other arrangements to obtain a Sponsor from another source on the same terms or on terms no less favourable to the Issuer, subject to obtaining the acceptance of the Regulatory Authorities, for a period of sixty (60) days from the Expiry Date. Thereafter, the Sponsor ROFR Notice will be deemed to have expired and the Issuer must deliver a new Sponsor ROFR Notice to the Agent if in future the Issuer proposes to engage a Sponsor in respect of that or another Qualifying Transaction.

14.3 If the Agent fails to exercise the Sponsor ROFR with respect to any particular proposed Qualifying Transaction and such Qualifying Transaction is not completed, then the Sponsor ROFR will not terminate in respect of any subsequent proposed Qualifying Transaction to be undertaken by the Issuer or any successor corporation.

15. INDEMNITY

15.1 The Issuer (the "Indemnitor") hereby agrees to indemnify and hold the Agent and its co-agents and/or any of its respective affiliates (hereinafter referred to collectively as the "Agents"), and the directors, officers, employees and shareholders of the Agents (herein referred to as the "Personnel") harmless from and against any and all expenses, losses (other than loss of profits), 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 its counsel that may be incurred in advising with respect to and/or defending any claim to which the Agents 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 Agents and any of their Personnel or otherwise in connection with the matters referred to in this Agreement, provided, however, that this indemnity will not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable will determine that:

(i) the Agents or any of their Personnel have been grossly negligent or dishonest or have committed any fraudulent act in the course of such performance; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence, dishonesty, or fraud referred to in (i).

15.2 If for any reason (other than the occurrence of any of the events itemized in Section 15.1(i) and (ii) above), the foregoing indemnification is unavailable to the Agents or insufficient to hold them harmless, then the Indemnitor will contribute to the amount paid or payable by the Agents 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 Agents on the other hand but also the relative fault of the Indemnitor and the Agents, as well as any relevant equitable considerations; provided that the Indemnitor will in any event contribute to the amount paid or payable by the Agents as a result of such expense, loss, claim, damage or liability any excess of such amount over the amount of the Agent's Fee received by the Agent hereunder. Notwithstanding the foregoing, any of the Agents and Personnel guilty of fraud or gross negligence shall not be entitled to contribution from the Indemnitor if the expenses, losses, claims, actions, damages or liabilities, as to which indemnification is claimed, were directly caused by such fraud or gross negligence.

15.3 The Indemnitor agrees that in case any legal proceeding will be brought against the Indemnitor and/or the Agents by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, will investigate the Indemnitor and/or the Agents, and any Personnel will be required to testify in connection therewith or will 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 Agents, the Agents will have the right to employ its own counsel in connection therewith, provided the Agents acts reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agents for time spent by their Personnel in connection therewith) and out-of-pocket expenses incurred by their Personnel in connection therewith will be paid by the Indemnitor as they occur.

15.4 Promptly after receipt of notice of the commencement of any legal proceeding against the Agents or any of their 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 Agents will give written notice to the Indemnitor as soon as possible of the commencement of the legal proceeding or investigation and the nature 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.

15.5 The Indemnitor will assume the investigation and defence or contestation thereof and will employ counsel satisfactory to the Agents, acting reasonably, and neither the Agents nor any Personnel will incur any expenses as regards such claim, action, legal proceeding or investigation (including payments in settlement thereof), including any investigation for which the Indemnitor would be liable to indemnify the Agents or any Personnel, without the Indemnitor's prior written consent. The Agents and their Personnel will provide all necessary assistance to the Indemnitor in connection with such investigation, defence or contestation. Notwithstanding the foregoing, the Agents will be entitled to employ counsel separate from counsel to the Indemnitor if counsel retained by the Indemnitor and the Agents have both advised (or in the event of a dispute between such counsel, a court of competent jurisdiction has determined) that representation of both parties by the same counsel would be inappropriate because there may be legal defences available to the Agents which are different from or in addition to those available to the Indemnitor (in which event and to that extent, the Indemnitor will not have the right to assume or direct the defence on the Agents' behalf) or that there is a conflict of interest between the Indemnitor and the Agents (in which event the Indemnitor will not have the right to assume or direct the defence on the Agents behalf).

15.6 The indemnity and contribution obligations of the Indemnitor will be in addition to any liability which the Indemnitor may otherwise have, will extend upon the same terms and conditions to the Personnel of the Agents and will be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agents and any of the Personnel of the Agents. The foregoing provisions will survive the completion of professional services rendered under this Agreement of which this indemnity forms part or any termination of the authorization given by this Agreement.

16. ASSIGNMENT AND SELLING GROUP PARTICIPATION

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

16.2 The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the Agent's Fee, provided that any compensation paid or payable to such other licensed dealers, brokers and investments dealers will be paid by the Agent at no additional cost to the Issuer.

17. NOTICE

17.1 Any notice under this Agreement will be given in writing and must be delivered, sent by facsimile transmission or mailed by prepaid post and addressed to the party to which notice is to be given at the address indicated above, or at another address designated by the party in writing.

17.2 If notice is sent by facsimile transmission or is delivered, it will be deemed to have been given at the time of transmission or delivery.

17.3 If notice is mailed, it will be deemed to have been received on the second business day following the date of mailing of the notice.

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

18. TIME

Time is of the essence of this Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

19. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The representations, warranties, covenants and indemnities of the Issuer and the Agent contained in this Agreement will survive Closing for one year.

20. CONFIDENTIALITY

All information, data, advice and opinions (the "Information") furnished to the Agent, and furnished by the Agent to the Issuer's counsel, in connection with this Agreement, will be treated as confidential (except such Information which is now or hereafter becomes publicly available or publicly known from time to time, other that as a result of improper disclosure by the Agent, or is required by law or legal proceedings to be disclosed) and will be used by the Agent only in connection with this Agreement.

21. TERMS SURVIVING TERMINATION

Notwithstanding the termination of this Agreement, the Issuer will continue to be obligated (a) to pay any amounts due to the Agent pursuant to this Agreement, (b) to maintain the confidentiality of the Agent's opinions, advice and materials, and (c) indemnify the Agent pursuant to Section 15 of this Agreement and such obligations will survive the completion of the Offering.

22. ENUREMENT

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

23. HEADINGS

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

24. ENTIRE AGREEMENT

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

25. COUNTERPARTS

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

26. LAW

This Agreement is governed by the law of British Columbia, and the parties hereto irrevocably attorn and submit to the jurisdiction of the courts of British Columbia and to no other courts with respect to any dispute related to this Agreement.

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

KEY VENTURE CAPITAL INC.

Per: (signed) "*Sophia Leung*"

Authorized Signatory

MACKIE RESEARCH CAPITAL CORPORATION

Per: (signed) "*Kim Bechthold*"

Authorized Signatory