

## **AGENCY AGREEMENT**

THIS AGREEMENT is made as of the 14th day of March, 2025.

### **BETWEEN:**

**ADAGIO 2 CAPITAL INC.**, a company incorporated under the laws of British Columbia, having its registered and records office located at 600, 890 West Pender Street, Vancouver, British Columbia, V6C 3B2;

(the “**Corporation**”)

-and-

**LEEDE FINANCIAL INC.**, a corporation incorporated under the laws of Canada, with an office in the City of Vancouver, in the Province of British Columbia;

(the “**Agent**”)

### **WHEREAS:**

A. The Corporation wishes to raise funds by the sale of the Offered Common Shares in the Offering Jurisdictions;

B. The Corporation has agreed to file a Prospectus in accordance with the Securities Legislation in order to qualify the distribution of the Offered Common Shares, the Agent’s Warrants and the Directors’ and Officers’ Options; and

C. The Corporation has agreed to retain the Agent as its exclusive agent to solicit subscriptions for the Offered Common Shares on a commercially reasonable efforts basis, and the Agent has agreed to act in such capacity upon the terms and conditions hereinafter set out.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

## **ARTICLE 1 INTERPRETATION**

1.1 For the purposes of this Agreement, including the recitals and any amendment hereto, the following words and phrases shall have the following meanings:

- (a) “**Agent's Commission**” has the meaning ascribed thereto in Section 3.1;
- (b) “**Agent’s Warrant Certificates**” has the meaning ascribed thereto in Section 3.5;
- (c) “**Agent’s Warrant Shares**” means the Common Shares to be issued on exercise of the Agent’s Warrants;
- (d) “**Agent’s Warrants**” means the irrevocable and non-transferable warrants to purchase up to 200,000 Agent’s Warrant Shares, at a price of \$0.10 per Agent’s Warrant Share up to

the date that is sixty (60) months from the date on which the Common Shares are listed on the Exchange, to be granted by the Corporation to the Agent and/or its designated sub-agents in accordance with Section 3.4;

- (e) **"Agreement"** means this agreement and the schedules hereto;
- (f) **"Agreement in Principle"** has the meaning given in the Policy;
- (g) **"Closing"** means the closing of the issue and sale of the Offered Common Shares as herein contemplated;
- (h) **"Closing Date"** means the date upon which the Closing occurs, which date shall be determined by agreement between the Corporation and the Agent and shall not be later than the last day of the Offering Period;
- (i) **"Commissions"** means the British Columbia Securities Commission and the Alberta Securities Commission;
- (j) **"Common Shares"** means common shares in the authorized share structure of the Corporation;
- (k) **"Completion of the Qualifying Transaction"** has the meaning given in the Policy;
- (l) **"Corporate Finance Fee"** has the meaning ascribed thereto in section 3.2;
- (m) **"Directors' and Officers' Options"** means options, to be granted pursuant to the Corporation's stock option plan or otherwise, under which directors and officers of the Corporation will have the option to purchase up to 499,999 Common Shares at a purchase price of \$0.10 per Common Share for a period of five (5) years from the date that its Common Shares are listed and posted for trading on the Exchange;
- (n) **"Exchange"** means the TSX Venture Exchange Inc.;
- (o) **"Material Change"** has the meaning given in the *Securities Act* (British Columbia);
- (p) **"Material Fact"** has the meaning given in the *Securities Act* (British Columbia);
- (q) **"Minimum Offering"** means 2,000,000 Common Shares;
- (r) **"Non-Arm's Length Party "** has the meaning given in Exchange Policy 1.1;
- (s) **"Non-Arm's Length Parties to the Qualifying Transaction"** has the meaning given in the Policy;
- (t) **"Offering"** means the offer by the Corporation to sell the Offered Common Shares as contemplated by the Prospectus and this Agreement;
- (u) **"Offered Common Shares"** means 2,000,000 Common Shares offered for sale by the Corporation at a price of \$0.10 per Offered Common Share as contemplated by the Prospectus and this Agreement;

- (v) **"Offering Jurisdictions"** means the Provinces of British Columbia and Alberta;
- (w) **"Offering Period"** means the period of 90 days from the date of issuance of the final receipt by the Commissions or if a receipt is issued for an amendment to the Prospectus, 90 days after the date of such receipt, and in any event, no later than 180 days after the final receipt;
- (x) **"Policy"** means Policy 2.4 of the Exchange entitled "Capital Pool Companies";
- (y) **"Preliminary Prospectus"** means the preliminary prospectus of the Corporation duly approved, signed, certified and filed in accordance with the Securities Legislation;
- (z) **"Prospectus"** means the prospectus of the Corporation, (and in Article 5, includes the Preliminary Prospectus) and any amendment thereof, duly approved, signed, certified and filed in accordance with the Securities Legislation qualifying the Offered Common Shares for distribution in the Offering Jurisdictions and qualifying the Agent's Warrants and the Directors' and Officers' Options for distribution in the Offering Jurisdictions;
- (aa) **"Public Shareholder"** has the meaning given in Exchange Policy 1.1;
- (bb) **"Qualifying Transaction"** has the meaning given in the Policy;
- (cc) **"Securities Legislation"** means the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) and the regulations and rules thereto and the policy statements, notices and blanket orders of the Commissions, the multilateral instruments, the national policy statements, and national instruments applied by the Commissions, and the policies of the Exchange;
- (dd) **"Subscribers"** means subscribers for Offered Common Shares;
- (ee) **"Subscription Funds"** means the gross funds received in respect of subscriptions for Offered Common Shares pursuant to and in accordance with the terms of the Prospectus and this Agreement;
- (ff) **"Time of Closing"** means 9:00 a.m. Pacific time on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may agree;
- (gg) **"to the knowledge of"** or other references to the **"knowledge"** of a party means to the best knowledge of that party after reasonable inquiry; and
- (gg) **"Total Subscription"** means subscriptions for all of the Offered Common Shares.

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

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

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

## ARTICLE 2 APPOINTMENT OF AGENT

2.1 Subject to the terms hereof, the Agent is hereby appointed by the Corporation as, and the Agent hereby agrees to act as, the sole and exclusive agent of the Corporation to solicit subscriptions to purchase the Offered Common Shares from Subscribers in the Offering Jurisdictions. The Agent shall use its commercially reasonable efforts to obtain subscriptions to purchase all of the Offered Common Shares. The Agent shall act as agent only and shall be under no obligation to purchase any of the Offered Common Shares. The Agent may retain as sub-agents other registered securities dealers and may receive subscriptions from such securities dealers. The Agent shall be under no liability for any failure to sell any or all of the Offered Common Shares or to engage sub-agents.

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

2.3 The Agent will not assign this Agreement or any of its rights under this Agreement or, with respect to the Offered Common Shares, Agent's Warrants and the Agent's Warrant Shares, 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 Corporation and notice has been given to and accepted by the Commissions and the Exchange.

## ARTICLE 3 AGENT'S COMPENSATION

3.1 In consideration of the Agent agreeing to act as agent for the Offering, the Corporation agrees to pay to the Agent at the Time of Closing, a cash commission equal to ten percent (10%) of the Total Subscription (the "**Agent's Commission**"). The Agent's Commission shall be paid by the Company to the Agent by the Agent deducting such amounts from the Subscription Funds on the Closing, or in such other manner as is satisfactory to the Agent.

3.2 The Corporation will also pay to the Agent a fee (the "**Corporate Finance Fee**") of \$15,000 plus G.S.T. The first half of the Corporate Finance Fee (\$7,875), has been paid by the Corporation and is non-refundable. The second half of the Corporate Finance Fee (\$7,875), shall be paid from the proceeds of the Offering.

3.3 The Agent shall be entitled in connection with the sale of the Offered Common Shares to retain as sub-agents a selling group consisting of other registered dealers registered to sell securities in the Offering Jurisdictions by such registrants. If the Agent retains such sub-agents, the Agent may pay them such Agent's Warrants and such commissions as the Agent in its discretion sees fit, provided that any such commission will be paid out of the Agent's Commission and the Agent's Warrants.

3.4 In further consideration of the Agent agreeing to act as agent for the Offering, the Corporation shall issue to the Agent and/or its sub-agents, at the Time of Closing, the Agent's Warrants. The Corporation and the Agent intend that the distribution of the Agent's Warrants be qualified under the Prospectus to the maximum extent allowed by the Commissions. The Corporation and the Agent intend that the Agent's

Warrants be qualified under and be distributed pursuant to the Prospectus. The Agent will provide to the Corporation written registration instructions for the Agent and any sub-agents prior to Closing.

3.5 The terms and conditions of the Agent's Warrants shall be governed by one or more certificates representing the Agent's Warrants (collectively, the "**Agent's Warrant Certificates**"), which shall be mutually acceptable to the Corporation and the Agent, acting reasonably, and which shall include, among other things, provision for the appropriate adjustment in the class, number and price of the Agent's Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the share capital of the Corporation, the payment of stock dividends, or the amalgamation of the Corporation. The following principal terms attached to the Agent's Warrants shall be set forth in the Agent's Warrant Certificates:

- (a) the Agent's Warrants shall be non-assignable and non-transferable;
- (b) the Agent's Warrants shall have a term of sixty (60) months, commencing from the date on which the Common Shares are listed on the Exchange;
- (c) the Agent's Warrants may be exercised at a price of \$0.10 per Agent's Warrant Share; and
- (d) pursuant to the Policy, no more than 50% of the aggregate number of Agent's Warrant Shares that may be acquired pursuant to the Agent's Warrants may be sold prior to Completion of the Qualifying Transaction and the remaining 50% may only be sold after Completion of the Qualifying Transaction.

#### **ARTICLE 4 SUBSCRIPTIONS**

4.1 Residents of the Offering Jurisdictions may subscribe to purchase Offered Common Shares by delivering to the Agent on or prior to the Closing Date payment of the aggregate subscription price in respect of the Offered Common Shares subscribed for; the appropriate offer to purchase Offered Common Shares together with such certificates, documents and forms as, in the opinion of the Agent or the Agent's counsel, may be required; and appropriate delivery and registration instructions of the Offered Common Shares subscribed for.

#### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

5.1 The Corporation represents and warrants to the Agent as of the date hereof, and the dates of the Preliminary Prospectus and the Prospectus and hereby acknowledges that the Agent is relying on such representations and warranties in entering into this Agreement as follows:

- (a) the Corporation has been duly incorporated and organized and is valid and subsisting and in good standing under the laws of its jurisdiction of incorporation and has all the requisite corporate power and capacity to carry on its business as now conducted and as presently proposed to be conducted;
- (b) the Corporation does not own or have an interest in any assets other than cash;
- (c) the Corporation has no business operations of any kind other than as permitted by the Policy;

- (d) the authorized capital of the Corporation and the issued capital of the Corporation is as disclosed in the Prospectus; all of the issued and outstanding securities have been duly issued in compliance with all applicable securities laws and are fully paid and non-assessable; to the knowledge of the Corporation, none of the issued and outstanding securities of the Corporation are owned directly or indirectly by any director, officer, employee or contractor of the Agent or any affiliates (as defined by the policies of the Exchange) of any of the foregoing; and no person, firm or corporation has any agreement or 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 shares or other securities of the Corporation except as disclosed in the Prospectus;
- (e) to the knowledge of the Corporation, there is no action, proceeding or investigation pending or threatened against the Corporation before or by any federal, provincial, state, municipal, county or other governmental department, commission, board or agency, domestic or foreign, which may result in any material adverse change in the condition, financial or otherwise, of the Corporation, or which questions the validity of any action taken or to be taken by the Corporation pursuant to or in connection with this Agreement or as contemplated by the Prospectus;
- (f) the audited financial statements of the Corporation, including the notes thereto, contained in the Prospectus present fairly, in all material respects, the financial position and condition of the Corporation as at the date thereof, reflect all liabilities (absolute, accrued, contingent or otherwise) of the Corporation as at the date thereof, are prepared in accordance with generally accepted accounting principles applied on a consistent basis and there has not been any adverse Material Change in such position or condition since such date;
- (g) no event of material default under the constating documents, articles or resolutions of the Corporation or under any agreement or instrument to which the Corporation is a party has occurred, and no event which, with the giving of notice or the passage of time or both, would constitute an event of material default under the constating documents, articles or resolutions of the Corporation, or any such agreement or instrument, has occurred and is continuing;
- (h) the Corporation has not entered into a transaction of a nature material to the Corporation, other than as disclosed in the Prospectus;
- (i) the Corporation has not reached an Agreement in Principle and the board of directors of the Corporation has not reached a "meeting of minds" with the other parties to a proposed Qualifying Transaction on all fundamental terms of the Qualifying Transaction in respect of which no material conditions to closing exist, the satisfaction of which are beyond the reasonable control of the Non-Arm's Length Parties to the CPC (as defined in the Policy) or Non-Arm's Length Parties to the Qualifying Transaction;
- (j) the Corporation has not made any payment which is prohibited under Section 7 of the Policy;
- (k) except as disclosed herein or in the Prospectus, there is no person, firm or corporation acting or purporting to act for the Corporation entitled to any brokerage or finder's fee in connection with any of the transactions contemplated herein;

- (l) the execution and delivery by the Corporation of this Agreement and the performance of its obligations hereunder will not result in any breach or violation of, or be in conflict with, or constitute a default, under any term or provision of the constating documents of the Corporation or any shareholders' or directors' resolutions of the Corporation, or, to the Corporation's knowledge, any agreement to which the Corporation is a party or by which the Corporation or any of its property is bound, and this Agreement has been, or will be prior to the Closing, duly authorized, executed and delivered by the Corporation;
- (m) no approval, authorization, consent or other order of any governmental authority is required in connection with the execution and delivery or with the performance by the Corporation of this Agreement except requisite filings with the Commissions and the Exchange;
- (n) to the Corporation's knowledge, none of the directors or senior officers of the Corporation, or any holder of more than 10% of its outstanding Common Shares, or any associate or affiliate (as such term is defined in the Prospectus) of any of the foregoing persons or companies has, or has had any material interest, direct or indirect, in any continuing or existing material transaction or has any material interest, direct or indirect, in any proposed material transaction which, as the case may be, is material to or will materially affect the Corporation, except as stated in the Prospectus;
- (o) no securities commission or other governmental authority has issued any order preventing or suspending the use of the Preliminary Prospectus or the Prospectus;
- (p) all statements, facts, data, information and material made, furnished or provided from time to time by the Corporation in writing to the Agent relating to the Corporation were true and correct in any material respects as at the respective dates of the said information and all material facts relating to the Corporation have been fully disclosed to the Agent and such statements, facts, data, information and material did not and do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make any statement or fact contained therein not misleading in light of the circumstances in which it was made;
- (q) the directors and senior officers of the Corporation have reviewed the Preliminary Prospectus and the Prospectus and the directors have duly approved the Preliminary Prospectus and the Prospectus at the respective times they were or are filed with the Commissions and the Exchange and have or will, prior to Closing, authorize the distribution of the Offered Common Shares in connection with the Offering;
- (r) except statements or facts relating solely to the Agent, for which the Corporation makes no representation or warranty, the Prospectus contains full, true and plain disclosure of all Material Facts as required by the Securities Legislation; none of the statements or facts contained in the Prospectus is false or misleading; and, there has been no omission to state any Material Fact in the Prospectus necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made;
- (s) Endeavor Trust Corporation ("**Endeavor**"), at its principal offices in the City of Vancouver, British Columbia, has been, or will be, prior to the Closing, appointed transfer agent and registrar for the Common Shares;
- (t) the Corporation has full corporate power and authority to enter into this Agreement and to perform its obligations set out herein and this Agreement has been duly authorized, or will

be, prior to the Closing, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable in accordance with the terms of this Agreement;

- (u) there is not, in the constating documents or articles of the Corporation or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of Common Shares;
- (v) the Corporation has complied with the material requirements of all applicable corporate and securities laws, including, without limitation, the Securities Legislation 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;
- (w) upon payment of the proceeds for the Offered Common Shares, the Offered Common Shares will be validly authorized and issued, the Agent's Warrants will be validly created, authorized and delivered and the Agent's Warrant Shares will be validly authorized, allotted upon the due exercise of the Agent's Warrants (including payment of the aggregate exercise price for such Agent's Warrant Shares) and the Offered Common Shares and Agent's Warrant Shares will, when issued, be issued as fully paid and non-assessable securities and will be issued free and clear of all liens, charges and encumbrances of any kind whatsoever;
- (x) except as disclosed in the Preliminary Prospectus and the Prospectus, no order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of such securities has been issued against the Corporation, or its directors officers or promoters or against any other companies that have common directors, officers or promoters, and to the Corporation's knowledge, no proceedings for this purpose have been instituted, are pending contemplated or threatened against the Corporation;
- (y) the proceeds received by the Corporation from the sale of the Offered Common Shares will be used by the Corporation as described in the Prospectus under the heading "Use of Proceeds", and in compliance with the provisions of the Policy; and
- (z) the minute books of the Corporation are true, complete and correct in all material respects and contain all the resolutions of the directors and shareholders thereof.

5.2 The Agent represents and warrants to the Corporation as of the date hereof, and the dates of the Preliminary Prospectus and the Prospectus and at the Time of Closing and hereby acknowledges that the Corporation is relying on such representations and warranties in entering into this Agreement as follows:

- (a) it is a valid and subsisting entity under the laws of the jurisdiction in which it was incorporated or organized;
- (b) it is an investment dealer duly registered under the Securities Legislation of each of the Offering Jurisdictions;
- (c) it is a member in good standing of the Exchange; and
- (d) it will sell the Offered Common Shares in compliance with the Securities Legislation.

## ARTICLE 6 COVENANTS OF THE CORPORATION

6.1 Forthwith following execution of this Agreement, the Corporation will use its commercially reasonable efforts to take or cause to be taken all steps and proceedings that may be necessary under the Securities Legislation, including but not limited to the filing of the Prospectus and the obtaining of a final receipt for the Prospectus from the Commissions to qualify the Offered Common Shares for distribution to the public resident in the Offering Jurisdictions through the Agent and sub-agents or other registered securities dealers and to qualify for distribution the Agent's Warrant.

6.2 The Corporation shall promptly notify the Agent in writing of full particulars of any actual, anticipated or threatened Material Change which triggers the requirement to file an amended Prospectus, during the Offering Period:

- (a) in the business or affairs of the Corporation; or
- (b) in the directors or officers of the Corporation; or
- (c) in any material fact contained or referred to in the Preliminary Prospectus or the Prospectus supplied by the Corporation, which is of such a nature as to render the Preliminary Prospectus or the Prospectus, misleading or untrue; or
- (d) in the affairs of the Corporation which reasonably may be construed as having a material effect on the truthfulness of any of the representations and warranties contained in Article 5;

and the Corporation shall file under the applicable Securities Legislation, with all possible dispatch, and in any event within any statutory limitation therefore, such new or correcting information, amendments and other documents as required by the applicable Securities Legislation. The Corporation shall further provide the Agent with such copies of such information, amendments or other documents as the Agent may reasonably require.

6.3 The Corporation shall in good faith discuss with the Agent any change in circumstances which is of a nature that there is reasonable doubt as to whether notice in writing need be given to the Agent pursuant to Section 6.2.

6.4 The Corporation covenants with the Agent that it will advise the Agent promptly of any request of the Commissions, the Exchange or other regulatory body for any amendment to the Prospectus or for any additional information prior to the Closing, or the issuance by the Commissions, the Exchange or any other regulatory body of any cease trading order or suspension order relating to the Common Shares or of the institution of any such proceedings prior to the Closing. The Corporation covenants to use its commercially reasonable efforts to prevent the issuance of any such cease trading order or suspension order and, if issued, to obtain the withdrawal thereof as soon as possible.

6.5 The Corporation from time to time at its expense, shall deliver to the Agent, at the direction of the Agent, as many commercial copies of the Preliminary Prospectus and the Prospectus (and in the event of an amendment, of such amended Prospectus) as the Agent may reasonably request, and any such delivery shall constitute the consent of the Corporation to the use thereof in connection with the Offering subject to the provisions of Securities Legislation relating thereto.

6.6 Delivery of the Prospectus shall constitute a representation and warranty by the Corporation to the Agent that all information and statements (except information and statements relating solely to or provided solely by the Agent) contained in the Preliminary Prospectus and the Prospectus are true and correct in all material respects at the time of delivery thereof and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and that no material fact has been omitted therefrom (except facts relating solely to the Agent) which is required to be stated therein or is necessary to make the statements or information contained therein not misleading in light of the circumstances under which they were made. Such delivery shall also constitute the Corporation's consent to the Agent's use of the Preliminary Prospectus and the Prospectus supplied to the Agent by the Corporation for the distribution of the Offered Common Shares in the Offering Jurisdictions in compliance with the provisions of this Agreement and applicable Securities Legislation.

- 6.7 (a) The Corporation covenants and agrees to protect, indemnify and save harmless the Agent, its directors, officers and employees who are acting in respect of the matters contemplated hereby (collectively the “**Indemnified Parties**”) from and against all losses, claims, damages, liabilities, costs or expenses (other than loss of profits), in any way caused, sustained or incurred by reason of or resulting directly from:
- (i) any statement or information contained in or omitted from the Preliminary Prospectus, the Prospectus any amended Prospectus and additional or ancillary material, information, evidence, return, report, application, statement, table or document that may be filed, or required to be filed, in connection with the Offering under the Securities Legislation, except statements or information relating solely to the Agent or furnished to the Corporation by the Agent, which, at the time and in light of the circumstances under which it was made, was false or misleading with respect to any material fact or which omits to state any material fact, the omission of which makes the statement false or misleading;
  - (ii) any representations and warranties of the Corporation contained herein being false or misleading in any material respect or a breach, in any material respect, of the covenants of the Corporation contained herein;
  - (iii) any prohibition or restriction of trading in the securities of the Corporation or any prohibition affecting the distribution of the Offered Common Shares which may be ordered by any one or more competent authorities if such prohibition is based on any statement or omission made by the Corporation in the Prospectus;
  - (iv) the Prospectus failing to comply with the requirements of the Securities Legislation in the Offering Jurisdictions so as to permit the lawful sale of the Offered Common Shares or by reason of the Corporation having failed to take or cause to be taken such steps or proceedings as were necessary to permit the lawful sale of the Offered Common Shares as contemplated by the Prospectus and as contemplated hereby; and
  - (v) any formal inquiry or investigation, whether prior to or subsequent to Closing, into the affairs, records or accounts of the Corporation or into holdings of securities of the Corporation or transactions in securities of the Corporation, which is commenced or contemplated by either of the Commissions or the Exchange, except where same relates solely to the activities of the Agent;

and provided that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgement, that has become non-appealable, shall determine that:

- (vi) the Indemnified Parties have acted in bad faith, have been grossly negligent or have committed wilful misconduct or any fraudulent act in the course of such performance;
- (vii) the Indemnified Parties have committed and are guilty of any criminal activities in the course of such performance of their obligations arising pursuant to this Agreement; or
- (viii) the Agent has breached any material provision of this Agreement;

and the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the act(s) (as referred to in clauses (vi), (vii) or (viii) above)(b).

- (b) If any matter or thing contemplated by Section 6.7(a) shall be asserted against the Indemnified Party, the Indemnified Party shall notify the Corporation as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defense of any suit brought to enforce such claim; provided however, that the defense shall be through legal counsel acceptable to the Indemnified Party, acting reasonably, and that no settlement may be made by the Corporation or the Indemnified Party without prior written consent of the other. If the Corporation assumes the defense of any such suit, the Indemnified Party shall continue to have the right to employ its own counsel, which shall be acceptable to the Corporation, in any proceeding relating to the claim contemplated by Section 6.7(a) and the reasonable fees and expenses of such counsel shall be recoverable by the Indemnified Party from the Corporation to the extent that the same shall be covered by the indemnity in Section 6.7(a) if:
  - (i) the Indemnified Party has been advised by such counsel that there may be legal defenses available to it which are different from or additional to defenses available to the Corporation (in which case the Corporation shall not have the right to assume the defense of such proceedings on the Indemnified Party's behalf);
  - (ii) the Corporation shall not have undertaken the defense of such proceedings and employed counsel within fifteen (15) days after notice of commencement of such proceedings; or
  - (iii) the employment of such counsel has been authorized in writing by the Corporation in connection with the defense of such proceedings.
- (c) To the extent that any Indemnified Party is not a party to this Agreement, the Agent shall obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.
- (d) In the event that, for any reason, the indemnity provided for in this section, is illegal or unenforceable, the Agent and the Corporation shall contribute to the aggregate of all losses, claims, costs, damages, expenses or liabilities of the nature provided in this section such that the Agent shall be responsible for that portion represented by the percentage that the Agent's Commission herein bears to the gross proceeds from the Offering and the

Corporation shall be responsible for the balance. Notwithstanding the foregoing, a person guilty of fraudulent misrepresentation shall not be entitled to contribution from any other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subsection, notify such party or parties from whom contribution may be sought. In no case shall such party from whom contribution may be sought be liable under this subsection unless such notice shall have been provided, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any other obligation it may have otherwise than under this subsection. The right to contribution provided in this subsection shall be in addition to and not in derogation of any other right to contribution which the Agent may have by statute or otherwise by law.

- (e) The Corporation hereby consents to personal service, jurisdiction and venue in any court in which any claim which is subject to indemnification hereunder is brought against any Indemnified Party and to the assignment of the benefit of this section to any Indemnified Party for the purpose of enforcement, provided that nothing herein shall limit the Corporation's right or ability to contest the appropriate jurisdiction or forum for the determination of any such claim.

6.8 The Corporation will take all necessary action to register the Corporation in a timely manner, whenever the business or property of the Corporation makes such registration necessary.

6.9 The Corporation will take all necessary action to complete its application for listing of the Common Shares on the Exchange with all reasonable diligence after the Closing, but in any event, the Corporation shall submit all required documents for listing on the Exchange within 30 days of the Closing Date.

6.10 The Corporation will promptly deliver to the Agent all documents or information requested by the Agent in relation to the transactions contemplated in this Agreement and in relation to the performance by the Agent of its due diligence investigations in respect of the Preliminary Prospectus and the Prospectus and the listing of the Common Shares on the Exchange, including, without limitation, Personal Information Forms for all insiders and directors, financial statements, consent of insiders to background, credit, educational and other checks, shareholders lists.

6.11 The Agent can, in its sole discretion but acting reasonably, retain at the Corporation's expense, any agents, experts, professionals or others which it deems necessary or advisable in order to perform its obligations and due diligence procedures under this Agreement and in accordance with the Policy and Exchange policies generally, and the Corporation covenants that it will comply with all reasonable requests by such agents, experts or professionals in respect of their investigations into the business and affairs of the Corporation, including any requests for access to the Corporation's operations, property and facilities.

6.12 Until the Corporation completes a Qualifying Transaction, the Corporation will comply with all applicable provisions of the Policy. The Corporation will use commercially reasonable efforts to maintain its status as a reporting issuer not in default of any Securities Legislation in the Offering Jurisdictions for a period of 24 months following the date that its Common Shares are listed and posted for trading on the Exchange and will use its commercially reasonable efforts to maintain its listing on the Exchange during such 24 months and to complete a Qualifying Transaction.

## ARTICLE 7 COVENANTS OF THE AGENT

7.1 The Agent hereby covenants, subject to the conditions contained in Article 8 hereof, to use its commercially reasonable efforts to solicit subscriptions for Offered Common Shares in the Offering Jurisdictions.

7.2 The Agent hereby covenants and agrees that it will not solicit subscriptions for Common Shares except in compliance with policies of the Exchange and Securities Legislation and the terms and conditions set forth in the Prospectus and this Agreement and hereby indemnifies the Corporation and agrees to save the Corporation harmless from and against any and all losses, damages, liabilities, costs, expenses, claims or suits caused by or arising out of the Agent's, its directors, officers or employees who are acting in respect of the matters contemplated hereby, gross negligence or wilful misconduct which gives rise to a breach of the covenants in this Article 7.

7.3 The Agent will deliver to each Subscriber a copy of the Prospectus sufficiently in advance of the Time of Closing such that all withdrawal rights under Securities Legislation will have expired at the Time of Closing.

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

7.5 The Agent covenants and agrees that it shall:

- (a) provide all such notices and documents as may be required in connection with the Offering, including those required for the Prospectus by the orders, policies, rules, regulations, by-laws and procedures of the Commissions and the Exchange which govern capital pool company offerings, as amended from time to time (collectively, the “CPC Rules”);
- (b) deliver to the Exchange as soon as reasonably possible after the Closing Date, a Distribution Summary Statement as required by Section 3.2 of Policy 2.4 of the Exchange and, without limiting the generality of the foregoing, to obtain subscriptions:
  - (i) from at least 150 Subscribers, each of such Subscribers:
    - (1) purchasing at least 1,000 Offered Common Shares free of Resale Restrictions (as defined in the Exchange Policy 1.1); and
    - (2) being a Public Shareholder and not a Non-Arm's Length Party to the Corporation;
  - (iii) such that no Subscriber shall purchase more than 2% of the Offered Common Shares and, in conjunction with such Subscriber's Associates and Affiliates (as those terms are defined in the Exchange Policy 1.1), nor purchase more than 4% of the Offered Common Shares; it being agreed that the provisions of this subsection (iii) shall only apply to 75% of the Offered Common Shares; and
  - (iii) such that at least 500,000 of the Common Shares (or such lesser number as is acceptable to the Exchange) issued and outstanding on the Closing Date, including the Offered Common Shares, will be in the Public Float (as such term is defined in Exchange Policy 1.1); and

- (iv) such that upon completion of the Offering, Public Shareholders will beneficially own at least 20% of the issued and outstanding Common Shares, excluding the Agent's Warrants and any other Common Shares reserved for issuance at a future date.

## ARTICLE 8

### CONDITIONS OF THE AGENT'S OBLIGATIONS

8.1 The obligations of the Agent contained in this Agreement may be terminated by the Agent in the event that prior to the Time of Closing:

- (a) any order operating to restrict, prevent or cease trading in the Common Shares is made pursuant to the Securities Legislation;
- (b) there is any breach or non-performance, in material respect, of any of the covenants of the Corporation herein contained that has not been cured, rectified, remedied or waived;
- (c) any competent authority having jurisdiction, including any stock exchange, commences or gives notice that it intends to commence any formal inquiry or investigation in relation to the Corporation, its affairs, records or accounts or any of the directors or officers of the Corporation, or into any holdings or transactions in the securities of the Corporation;
- (d) any inquiry, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of its directors or officers is commenced, announced or threatened by an officer or official of any competent authority, or any order is issued by any federal, provincial or other government authority or by any stock exchange, or there is any change of law which, in the sole opinion of the Agent, acting reasonably, operates or will operate to prevent or to restrict the trading of the Common Shares or the distribution of any Common Shares or materially adversely affects or may materially adversely affect the marketability of the Common Shares;
- (e) there shall occur any Material Changes (actual, anticipated, contemplated or threatened) in the assets, liabilities, business or operations of the Corporation which, in the sole opinion of the Agent, acting reasonably, could reasonably be expected to have a material adverse effect on the market price or value of the Common Shares or materially adversely affects or may materially adversely affect the marketability of the Common Shares;
- (f) if there should develop, occur or come into effect or existence any event, action, state, condition or financial occurrence of consequence or any governmental action, law, regulation, inquiry or other occurrence of any nature whatsoever which, in the sole opinion of the Agent, acting reasonably, materially adversely affect or involve, the financial markets generally or the business, operations, affairs or financial condition of the Corporation, or the marketability of the Common Shares;
- (g) any new or amended Prospectus discloses information which, in the sole opinion of the Agent, acting reasonably, may result in the Subscribers of a material number of the Offered Common Shares exercising their rights under applicable legislation to withdraw from or rescind their purchase thereof at any time prior to the Closing;
- (h) there is any significant amendment to Securities Legislation which, in the sole opinion of the Agent, acting reasonably, will impose any limitations or restrictions on the exercise of

the Agent's Warrants or on the subsequent trading of Common Shares which are acquired, or which may be acquired, by the Agent under the Agent's Warrants;

- (i) the Agent, acting reasonably, is not satisfied with the results of its due diligence investigation; or
- (j) the Agent, acting reasonably, determines that any of the representations or warranties made by the Corporation herein is false in any material respect.

8.2 Any termination of any of the obligations of the Agent hereunder pursuant to the provisions hereof shall be effected by notice to the Corporation. Notwithstanding the giving of any notice of termination hereunder, the provisions of Section 6.7 and all rights of action in connection therewith shall survive for a period of two years following such termination and the fees and expenses agreed to be paid by the Corporation, referred to in Article 11, incurred up to the time of the giving of such notice shall be paid by the Corporation. The rights of the Agent to terminate this Agreement are in addition to such remedies as it may have in respect of any default, misrepresentation, act or failure to act of the Corporation in respect of any of the transactions contemplated in this Agreement.

## **ARTICLE 9 THE CLOSING**

9.1 Subject to the terms and conditions hereof, the Closing shall take place at the Time of Closing at by the prior electronic exchange of closing documents in escrow to the mutual satisfaction of counsel for each of the parties, or as the Agent and the Corporation may otherwise agree.

9.2 At the Time of Closing, the Corporation shall deliver to the Agent a certificate, in form and substance satisfactory to counsel for the Agent, signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, dated the Closing Date, addressed to the Agent to the effect that, after a reasonable investigation:

- (a) the representations and warranties contained in Section 5.1 hereof are true and correct in any material respect at and as at the Time of Closing after giving effect to the transactions contemplated by the Prospectus;
- (b) the Corporation has, in all material respects, complied with all covenants and satisfied all the conditions contained herein on its part to be performed or satisfied at or prior to the Closing Date;
- (c) such officer has carefully examined the Prospectus and since the dates as of which information is given in the Prospectus, except as set forth in and contemplated thereby, the Corporation has not incurred any material amount of liabilities or obligations (absolute, accrued, contingent or otherwise) and there has been no adverse Material Change which would trigger the requirement to file an amended Prospectus; and
- (d) no event of material default under any agreement or instrument to which the Corporation is a party has occurred and no event which with the giving of notice or the passage of time or both would constitute an event of material default under any such agreement or instrument has occurred and is continuing; and
- (e) such matters as the Agent may reasonably request in connection with this Offering.

9.3 At the Time of Closing, the Agent shall receive a favorable legal opinion, addressed to the Agent and its counsel, from counsel to the Corporation, to the effect that:

- (a) the Corporation has been duly incorporated under the laws of British Columbia and is a valid and existing company, and is with respect to its filing of annual reports with the British Columbia Registrar of Companies, in good standing;
- (b) the Corporation has all requisite corporate power and capacity to carry on its business as now conducted and as proposed in the Prospectus to be conducted;
- (c) the authorized and issued capital of the Corporation is as disclosed in the Prospectus; the issued capital of the Corporation has been validly issued in accordance with applicable corporate and securities laws and is fully paid and non-assessable;
- (d) the form of the definitive certificate representing the Common Shares has been approved and adopted by the directors of the Corporation and conforms to the requirements of applicable law;
- (e) the Exchange has conditionally accepted notice of the issuance of the Offered Common Shares and has conditionally approved the listing of the Offered Common Shares and the Agent's Warrant Shares and all previously issued Common Shares on the Exchange;
- (f) this Agreement and the Agent's Warrant Certificates have been duly authorized by all necessary corporate action by the Corporation and have been duly executed and delivered by the Corporation and constitute valid and binding obligations of the Corporation and each is enforceable against the Corporation in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (g) the execution and delivery by the Corporation of this Agreement and the Agent's Warrant Certificates and the performance by the Corporation of its obligations hereunder and thereunder will not result in any material breach or violation of, or be in conflict with, or constitute a material default under, any term or provision of the constating documents or any shareholders' or directors' resolutions of the Corporation of which counsel is aware, or any agreement of which counsel is aware and to which the Corporation is a party or by which the Corporation is bound;
- (h) Endeavor, at its principal offices in the City of Vancouver, British Columbia, has been duly appointed the transfer agent and registrar for the Common Shares;
- (i) all necessary documents have been filed and proceedings taken under the Securities Legislation to qualify the distribution of the Offered Common Shares to the public in the Offering Jurisdictions, the Agent's Warrants to the Agent in the Offering Jurisdictions;
- (j) all necessary corporate action has been taken by the Corporation to authorize the grant of the Agent's Warrants and issuance of the Agent's Warrant Shares on exercise of the Agent's Warrants (including payment in full therefor) and the Agent's Warrant Shares,

when issued in accordance with the terms of the Agent's Warrant Certificates, will be validly issued as fully paid and non-assessable Common Shares;

- (k) the first trade in the Offering Jurisdictions of the Agent's Warrant Shares (other than trades from the holdings of a "control person" as defined by the Securities Legislation) will be exempt from the prospectus requirements of the Securities Legislation and no other documents are or will be required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities required to be obtained by the Corporation under the Securities Legislation in connection with any such trade made through a registrant properly registered under the Securities Legislation who has complied with the requirements thereof (subject to the usual qualifications), provided that (i) the Corporation is a "reporting issuer" in a jurisdiction of Canada at the time of such trade, and (ii) such trade is not a transaction or part of a series of transactions in the course of or incidental to a "distribution" (as defined by the Securities Legislation); and
- (l) the disclosure set out in the Prospectus under the heading "Eligibility for Investment" is true, correct and accurate.

9.4 In giving the foregoing opinions counsel for the Corporation may rely upon opinions of local counsel, acceptable to the Agent, as to the laws of jurisdictions other than the jurisdictions in which such counsel is licensed to practice law, if any, and as to matters of fact not within their knowledge, upon certificates as to such facts, signed, in the case of the Corporation, by the Chief Executive Officer or Chief Financial Officer of the Corporation.

9.5 At the Time of Closing, the Corporation shall direct Endeavor, as the registrar and transfer agent for the Common Shares, to issue and deliver the Offered Common Shares in accordance with the instructions of the Agent and the Agent will pay the gross proceeds from the sale of the Offered Common Shares pursuant to the Offering to the Corporation (less any amounts deducted pursuant to Section 9.6).

9.6 The Corporation authorizes the Agent to deduct, at Closing, any reasonable amounts owed by the Corporation in respect of the Agent's expenses, Agent's Commission and Corporate Finance Fee from the proceeds of the Offering accounting for any prepayment previously forwarded by the Corporation as provided for in Article 11. The Agent will, on the Closing Date, deliver to the Corporation a written description and reconciliation of its expenses deducted from the gross proceeds of the Offering.

9.7 If the Agent has not already deducted such amounts pursuant to the provisions of Section 9.6 at the Time of Closing, the Corporation shall deliver to the Agent payment of the Agent's Commission in the form satisfactory to the Agent as provided for in Article 3 hereof, payment of the balance of the Corporate Finance Fee and payment of the balance owed in respect of the expenses of the Agent and the fees and expenses of the Agent's legal counsel, accounting for any prepayment previously forwarded by the Corporation.

9.8 If subscriptions representing the Minimum Offering have not been raised by the Agent or accepted by the Corporation by the expiry of the Offering Period, the Offering will be withdrawn and the Subscription Funds will be returned to the Subscribers without interest or deduction.

## ARTICLE 10 ELIGIBILITY FOR INVESTMENT

10.1 The Corporation covenants that it will obtain confirmation from the Exchange that the Offered Common Shares will be listed on the Exchange as of the Closing Date (the "**Confirmation**").

10.2 The Corporation acknowledges that the Agent is relying on the Confirmation with respect to sales of the Offered Common Shares into registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (collectively, the “**Plans**”) and agrees that, if the Corporation has fulfilled its obligations under Article 10.1 by obtaining a Confirmation and if the Exchange does not issue a bulletin in relation to the listing of the Offered Common Shares by the close of market on the business day before the Closing, the Corporation will immediately notify the Agent and the Closing may be delayed, at the sole discretion of the Agent, acting reasonably.

## **ARTICLE 11 CONFIDENTIALITY**

11.1 The Agent will keep all information, data and documents provided to it in connection herewith confidential and shall not disclose any of the same not previously disclosed to the public except: (a) to employees and agents of the Company or its affiliates and to those officers, employees, agents and advisors of the Agent who require access thereto for the purpose of permitting the Agent to execute its obligations hereunder and who agree to keep such information, data and documents confidential and not to disclose the same; (b) as may be required by law in connection with any legal, stock exchange or regulatory proceedings; or (c) with the consent of the Company.

## **ARTICLE 12 EXPENSES OF THE ISSUE**

12.1 Notwithstanding any termination of this Agreement or the cancellation of its obligations by the Agent pursuant to Article 8 hereof and, except as otherwise indicated herein, the non-refundable portion of the Corporate Finance Fee previously paid by the Corporation and the costs and expenses of or incidental to the creation, issue and offering of the Offered Common Shares including, without limitation, the fees and expenses of counsel for the Corporation and counsel for the Agent, all other reasonable expenses incurred by the Agent in connection with the Offering, the cost of printing and delivering the definitive certificates for the Offered Common Shares, the fees and disbursements of the transfer agent, the cost of preparing, printing and delivering the Prospectus to the Agent and the associated fees prescribed by the Securities Legislation in connection with the Offering shall, be paid by the Corporation whether or not the Offering is completed as contemplated.

12.2 The Corporation will pay the reasonable expenses incurred by the Agent in relation to the Offering and the fees and expenses of counsel for the Agent from time to time as requested by the Agent by bank draft, wire transfer or certified cheque payable to the Agent or counsel to the Agent or in such other manner as is acceptable to the Agent. The Corporation has paid to the Agent a deposit in the amount of \$8,000 in connection with the Agent’s anticipated expenses in relation to the Offering, including legal expenses.

## **ARTICLE 13 NOTICES**

13.1 Any notice required or permitted to be given hereunder shall be in writing and shall be deemed to have been given or made when delivered at the addresses of the relevant party set forth below or such other address as a party may stipulate in writing:

- |                                   |                                                                                                    |
|-----------------------------------|----------------------------------------------------------------------------------------------------|
| (a) <u>to the Corporation at:</u> | Adagio 2 Capital Inc.<br>Suite 600, 890 West Pender Street<br>Vancouver, British Columbia, V6C 3B2 |
|-----------------------------------|----------------------------------------------------------------------------------------------------|

Attention: Azim Dhalla, President

- (b) with a copy to :                      Gowling WLG (Canada) LLP  
(which copy shall not                      #2300, 550 Burrard Street  
constitute notice)                      Vancouver, British Columbia, V6C 2B5

Attention: Tara Amiri

- (c) to the Agent at:                      Leede Financial Inc.  
Suite 1800 - 1140 West Pender Street  
Vancouver, B.C. V6E 4G1

Attention: Richard H. Carter, Executive V.P., Secretary & General Counsel

- (d) with a copy to:                      Harper Grey LLP  
(which copy shall not                      Suite 3200 – 650 West Georgia Street  
constitute notice)                      Vancouver, B.C. V6B 4P7

Attention: Jeff Sheremeta

#### **ARTICLE 14 MISCELLANEOUS**

14.1 Time shall be of the essence with respect to the terms and conditions of this Agreement.

14.2 This Agreement may be executed by electronic signature and in several counterparts and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution, shall be deemed to bear the date as of the date above written. To the extent that this Agreement or any agreement subject to the terms hereof or any amendment hereto is executed, recorded or delivered electronically, it shall be binding to the same extent as though it had been executed on paper with an original ink signature. The fact that this Agreement is executed, signed, stored or delivered electronically shall not prevent the enforcement of the terms hereof. Physical possession of an originally signed copy of this Agreement or any paper copy thereof shall confer no special status to the bearer thereof.

14.3 All warranties, representations, covenants, indemnifications and agreements herein contained or contained in certificates or documents submitted pursuant to or in connection with the transactions herein along with all rights of action in connection therewith shall survive the Closing of the Offering and shall continue in full force and effect for a period of two years following the Closing Date for the benefit of the Agent and for the benefit of the Corporation.

14.4 This Agreement supersedes all other agreements, documents, writings and verbal understandings among the parties relating to the subject matter hereof and represents the entire agreement between the parties relating to the subject matter hereof.

14.5 This Agreement shall be construed and interpreted, and the rights and obligations of the parties arising hereunder governed, by the laws of the Province of British Columbia. The parties agree that the

Courts of British Columbia shall have exclusive jurisdiction over any dispute, termination or breach of any kind or nature whatsoever arising out of or in connection with this Agreement.

14.6 All the terms and provisions of this Agreement shall be binding upon, shall enure to the benefit of, and shall be enforceable by and against the parties hereto and their respective successors and assigns, but shall not be assignable, before or after the Time of Closing, without the written consent of the other parties hereto.

14.7 The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith.

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

**LEEDE FINANCIAL INC.**

Per: "Richard H. Carter"  
*Authorized Signatory*

**ADAGIO 2 CAPITAL INC.**

Per: "Azim Dhalla"  
*Authorized Signatory*