

TURNHAM GREEN INVESTMENTS INC.
310 - 10524 King George Boulevard
Surrey, British Columbia V3T 2X2

November 21, 2019

TIMIA Capital Holdings Limited Partnership
207 – 415 West Cordova Street
Vancouver, British Columbia
V6B 1E5

Attention: Mike Walkinshaw, CEO

Re: Revolving Credit Facility

We are pleased to confirm that we are prepared to make available to you a \$7,500,000 revolving credit facility as described below for the purposes, and in accordance with the terms and conditions, set forth in this letter agreement.

Terms used in this letter agreement with initial capitals will have the meanings ascribed to them in this letter agreement, including without limitation the defined terms set out in [Schedule A](#).

Credit Parties

The lender will be Turnham Green Investments Inc. (the “**Lender**”), a company formed under the laws of **[Redacted]**, having a place of business at the address set out for it above.

The borrower will be TIMIA Capital Holdings Limited Partnership (the “**Borrower**”), a British Columbia limited partnership.

The guarantors will be the Borrower's general partner, TIMIA Capital GP Inc. (the “**GP**”), and the Borrower’s limited partner, TIMIA Capital Corp. (“**TIMIA**” and together with the GP, the “**Guarantors**”). The Borrower and the Guarantors are sometimes collectively referred to herein as the “**Obligors**”.

Credit Facility

Subject to the terms and conditions hereof, the Lender shall make available to the Borrower a \$7,500,000 revolving facility (this “**Facility**”) by way of Advances made in a minimum amount of \$250,000, up to a maximum of \$2,000,000, per Advance. The Facility shall, at all times, be supported by no less than three Margined Assets.

Advances and Purposes

Each Advance made under the Facility shall be applied by the Borrower to partially finance one or more Approved Assets, and the maximum amount advanced by the Lender to finance any single Approved Asset shall not, unless otherwise approved by the Lender, exceed the lesser of: (a) \$[Redacted]; and (b) 50% of the total principal amount or Royalty Amount, as applicable, of such asset. Notwithstanding the above, up to 100% of the total principal amount of any Approved Asset may be funded by amounts loaned to, invested in or otherwise downstreamed to the Borrower by TIMIA.

The Borrower may, from time to time, present one or more Eligible Assets to the Lender for its review. The Lender may, in its sole discretion, approve in writing one or more Eligible Assets to be funded by the Borrower.

If the Lender has not approved the funding of any one or more Eligible Assets within five Business Days of having been provided with the relevant documentation for its review, the Lender will be deemed to have declined to approve such asset, and no Advance will be made in respect thereof.

After having been notified by the Lender of any Approved Assets, the Borrower may, from time to time, but not more frequently than once in any five Business Day period, submit to the Lender a request for an Advance to partially finance any such assets, specifying the requested Advance Date of such Advance (which date may not be less than five Business Day's from the date of such request).

Borrowings outstanding under the Facility shall not, at any time, exceed 50% of the aggregate principal amount or Royalty Amount, as applicable, payable to the Borrower under Margined Assets that are in Good Standing.

Availability and Repayment

The Borrower may borrow from the Lender hereunder, on a revolving basis, up to the amount of the Facility on the terms and conditions contained herein.

The Borrower shall repay the outstanding principal amount of the Facility, together with all accrued and unpaid interest thereon, on the Maturity Date.

At any time when any amount remains outstanding under the Facility, all Margined Asset Proceeds shall be applied as follows:

- (a) firstly:
 - (i) to pay to or reimburse the Lender for the fees and expenses due to it hereunder from time to time; and
 - (ii) to pay to the Lender all accrued and unpaid interest due on the amount outstanding under the Facility from time to time;
- (b) secondly, to the extent that the principal outstanding under the Facility exceeds 50% of the aggregate principal amount or Royalty Amount, as applicable, payable to the Borrower under the Margined Assets that are in Good Standing, to repay to

the Lender the amount of such excess, together with all accrued and unpaid interest on the excess amount so repaid to the date of repayment; and

- (c) thirdly, to or at the direction of the Borrower, unless an Event of Default has occurred, in which case:
 - (i) during the continuance of and Event of Default to the Lender to be applied against principal and interest;
 - (ii) following the occurrence of an Event of Default that has been cured, and for as long thereafter as the Lender in its discretion may require:
 - (A) as to 50% of any such amount, to the Lender to be applied against principal and interest under the Facility; and
 - (B) as to the remaining 50% of such amount, to or at the direction of the Borrower.

Subject to any required repayment, the Borrower may not prepay the outstanding principal amount of the Facility, in whole or in part, at any time prior to the date which is six months from the date hereof. At any time thereafter, the Borrower may, upon five Business Days' prior written notice to the Lender, prepay the outstanding principal amount of the Facility, in whole or in part, together with all accrued and unpaid interest on the amount so prepaid to the date of prepayment. Such prepayments shall be in a minimum amount of not less than \$250,000.

Interest

The principal amount outstanding under the Facility from time to time shall bear interest at a per annum rate equal to the greater of (a) Prime Rate plus **[Redacted]**%, and (b) **[Redacted]**%. Notwithstanding the foregoing, to the extent permitted by law, upon the occurrence and during the continuation of an Event of Default, the principal amount, and all accrued and unpaid interest, fees, indemnities and other obligations outstanding under the Facility shall bear interest at a rate equal to the rate of interest otherwise applicable to the principal amount outstanding under the Facility plus **[Redacted]**%.

Interest on amounts outstanding under the Facility shall accrue daily on the basis of actual number of days elapsed in the year of 365 days (or 366 days in a leap-year) and shall be payable in arrears monthly within five Business Days of each month-end, and on final maturity, to the Lender at the location specified above, with interest on overdue interest, both before and after default, maturity and judgment as provided for herein.

Any payment of principal or interest which becomes due under the Facility on a day which is not a Business Day shall be paid on the next following Business Day.

All calculations of interest and outstanding principal shall be made by the Lender, and such calculations shall, in the absence of manifest mathematical error, be final, conclusive and binding on each Obligor. The indebtedness of the Borrower in respect of Advances made by the Lender to the Borrower, prepayments and repayments made by the Borrower to the Lender, and interest payable hereunder shall, absent manifest mathematical error, be conclusively evidenced by the books and records of the Lender.

Notwithstanding any provision herein to the contrary, in no event will the aggregate "interest" (as defined in section 347 of the *Criminal Code*) payable under this letter agreement exceed the maximum effective annual rate of interest on the "credit advanced" (as defined in that section 347) permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section 347) is determined to be contrary to the provisions of that section 347, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and the Lender and the amount of such payment or collection will be refunded to the Borrower.

Fees and Expenses

A one-time fee in an amount equal to **[Redacted]**% of the maximum principal amount of the Facility is payable by the Borrower to the Lender on the date hereof.

A monthly fee in an amount equal to **[Redacted]**% of the undrawn principal amount of the Facility from time to time is payable by the Borrower to the Lender within five Business Days of each month-end.

If, at any time, the principal amount outstanding under the Facility falls below \$2,000,000, a fee in an amount equal to the product of (a) the amount by which the principal amount outstanding under the Facility is less than \$2,000,000, and (b) the otherwise prevailing rate of interest hereunder, is payable by the Borrower to the Lender within five Business Days of each month-end.

The Borrower shall pay to the Lender all legal and due diligence expenses of the Lender in connection with the Facility. Additionally, the Borrower will pay or reimburse the Lender for all out-of-pocket expenses, including legal fees and disbursements (on a solicitor and its own client full indemnity basis) and enforcement costs, incurred by the Lender, as applicable, in connection with the negotiation, preparation, execution and maintenance of the Facility Documents and the enforcement of its rights and remedies under the Facility Documents. The Lender may deduct any such expenses incurred from any Advance.

Facility Documents

No Advance shall be made until the Lender shall have received each of the following security and supporting documents (together with this letter agreement, the "**Facility Documents**") in form and substance satisfactory to the Lender and its counsel:

1. a guarantee (including an assignment and postponement of claim) from each of the Guarantors, with respect to all present and future obligations of the Borrower under this letter agreement and the other Facility Documents;
2. a security agreement creating a security interest in all present and after-acquired personal property of the Borrower;
3. a security agreement creating a security interest in all present and after-acquired personal property of the GP; and
4. such further guarantees, security instruments, assurances and supporting documentation as the Lender may from time to time require.

The Facility Documents shall (if applicable) provide for a first priority security interest in all of the assets described in such Facility Documents subject only to Permitted Encumbrances.

Conditions Precedent to the first Advance

The first Advance shall not be made until satisfaction of the following conditions, which conditions precedent are included for the sole benefit of the Lender and are subject to waiver in whole or in part only by the Lender in its discretion:

1. All of the Facility Documents shall have been executed and delivered by each Obligor party thereto and shall, to the extent applicable, have been duly registered, recorded or filed wherever necessary in order to preserve, protect and perfect the validity and priority of the Lender's interests pursuant to the Facility Documents.
2. Each director, officer and senior employee of TIMIA that beneficially holds, directly or indirectly, Indebtedness of TIMIA will have provided consent to the transactions contemplated by the Facility Documents in a form acceptable to the Lender.
3. Evidence satisfactory to the Lender shall have been provided that: (a) the Initial Approved Assets will, subject only to the making of such Advance, be validly transferred to and acquired by the Borrower; and (b) each of the Initial Approved Assets is in Good Standing, and such status will not be affected by the transfer of such asset to the Borrower.
4. The Lender shall have received an opinion from counsel to each Obligor, in form and substance satisfactory to the Lender and its counsel, as to such matters as the Lender may reasonably require, including, without limitation, the validity, execution and enforceability of the Facility Documents.

Additional Conditions Precedent to each Advance

No Advance (including the first Advance) shall be made until satisfaction of the following conditions, which conditions precedent are included for the sole benefit of the Lender and are subject to waiver in whole or in part only by the Lender in its discretion:

1. All of the representations and warranties of each Obligor in in the Facility Documents and any other related documentation delivered to the Lender shall be true and correct as at the applicable Advance Date as if made on such date, and each Obligor shall have complied with all covenants on its part to be performed in the Facility Documents.
2. No Event of Default shall have occurred and be continuing and no event shall have occurred or condition exist which would, with the giving of notice or the passage of time or both, constitute an Event of Default.
3. The Lender shall have received from the Borrower:
 - (a) the investment committee memorandum(s) relating to the Eligible Asset(s) proposed to support an Advance, together with all appendices and all other relevant diligence items prepared for or received by the Obligors or as may be requested by the Lender; and

- (b) copies of the Credit Documents of the Eligible Asset(s) proposed to support an Advance, together with a summary of each such Credit Document's material terms,

each of the foregoing having been confirmed by TIMIA (by email) to be true and complete copies of all such documents.

4. The Lender shall have approved Eligible Assets having a principal amount or Royalty Amount, as applicable, sufficient to support such Advance in accordance with the terms hereof.
5. Not less than five Business Days prior to the proposed Advance Date, the Lender shall have received a request for an Advance setting out the Advance Date, the Approved Assets to be financed by the Borrower on or before such Advance Date, the amount of the Advance and the calculations demonstrating that such Approved Assets support such amount in accordance with the terms hereof, and such other matters as the Lender may require.
6. The Borrower shall have certified to the Lender that the Approved Assets to be partially financed by an Advance are in Good Standing.
7. If and to the extent required by the Lender, the Lender shall have received a certificate of a senior officer of each Obligor, certifying such matters as the Lender may require in connection with any particular Advance (including, without limitation, with respect to the fulfilment of conditions, the Approved Assets to be acquired and the status of the Margined Assets).

Representations and Warranties

The Obligors jointly and severally represent and warrant to the Lender, and acknowledge that the Lender is relying upon such representations and warranties in making the Facility available, that as of this date and as of the date of any Advance, and as of the date of any Obligor executing any other Facility Documents:

1. Each Obligor is duly incorporated, organized and validly subsisting under the Laws of its jurisdiction of incorporation and is in good standing under the Laws of each jurisdiction in which it carries on business or has assets.
2. Each Obligor has all requisite corporate power and authority and all necessary licences and governmental approvals required to own and operate its business as currently conducted, to borrow, to give guarantees, to give security for such borrowing/ guarantees and to otherwise to perform its obligations under the Facility Documents to which it is a party.
3. Each Obligor has a good and marketable title to all its property and assets, free and clear of all liens, charges, encumbrances, security interests and adverse rights of third parties except Permitted Encumbrances.
4. All written information provided to the Lender by any Obligor in connection with the Facility, including, without limitation, information relating to the financial position of the

Obligors and the status of Eligible Assets, Approved Assets and Margined Assets, is, in all material respects, true, complete and accurate, and each asset presented to the Lender is an Eligible Asset.

5. TIMIA has the right to sell and assign to the Borrower the Initial Approved Assets, and that the same and each other Approved Asset are free and clear of all liens, security interests (other than in favour of the Borrower or, with respect to the Initial Approved Assets prior to transfer to the Borrower, TIMIA) or other adverse claims, and no Obligor has received actual notice of any default or event of default having occurred under the applicable Credit Documents.
6. There are no actions or suits pending or, to the best of the Obligors' knowledge, threatened against or affecting any Obligor which, if determined against its interests would (i) result in a material adverse change in its financial position or its business or affairs or its title to, or interest in, its properties, or (ii) impair its ability to meet its liabilities or perform its obligations and covenants under the Facility Documents.
7. Neither the execution nor the delivery of the Facility Documents nor the performance by any Obligor of any of its obligations thereunder has resulted or will result in a breach of, or constitute a default under, any indenture, agreement or instrument to which it is a party or by which it is bound or be in contravention of its constating documents, by-laws or resolutions of its directors, shareholders or partners.
8. The most recent financial statements of each Obligor, true, complete and accurate copies of which have been furnished to the Lender (or, in the case of TIMIA, publicly filed), fairly present the financial condition of such entity as at the date thereof and the results of the relevant entity's operations for the period then ended, all in accordance with generally accepted accounting principles consistently applied, and since such date there has been no material adverse change in such condition or operations.

The representations and warranties in this letter agreement and the other Facility Documents or contained in any certificates or documents delivered to the Lender pursuant to this letter agreement shall not merge in or be prejudiced by and shall survive the advance of funds under the Facility and shall continue in full force and effect so long as any amounts are owing by the Borrower to the Lender.

General Covenants

The Obligors, as applicable, jointly and severally covenant and agree with the Lender that:

1. Each Obligor shall do, observe and perform or cause to be done, observed or performed all of the obligations and all material matters and things necessary or expedient to be done, observed or performed by virtue of any Law for the purpose of carrying on its business.
2. Each Obligor shall maintain and preserve all of its properties, assets, licences and governmental approvals which are used or useful in the conduct of its business in good working order and condition or valid, as applicable.
3. Each Obligor shall promptly pay and discharge, when the same shall become due, all Taxes imposed upon it or upon its income or profits or any property belonging to it.

4. Each Obligor shall apply or cause to be applied all Margined Asset Proceeds within its control in accordance with the terms hereof.
5. If, at any time, borrowings outstanding under the Facility exceed 50% of the aggregate principal amount or Royalty Amount payable to the Borrower under Margined Assets that are in Good Standing, the Borrower shall immediately repay such excess to the Lender, together with all accrued and unpaid interest on the excess amount so repaid to the date of such repayment.
6. The Borrower shall, within 25 days of the end of each month, provide the Lender with (i) internally prepared monthly financial statements, (ii) a list of the Margined Assets, including a summary of the status of such assets (in the form agreed between the Borrower and the Lender), and (iii) a certificate signed by a senior officer of the Borrower certifying that no Event of Default shall have occurred, that the financial statements are true and correct, that the representations and warranties of the Borrower in the Facility Documents are true and correct as if made on the date of such certificate, and that the Borrower is in compliance with all covenants and agreements on its part to be performed under the Facility Documents. All of such statements, certificates and reports shall be in such form as the Lender may reasonably require.
7. Each Obligor shall, forthwith upon becoming aware of the same, promptly advise the Lender of any Event of Default or non-compliance with the requirements of the Facility Documents.
8. The Borrower shall, from time to time, upon demand by the Lender, pay to the Lender additional amounts sufficient to reimburse the Lender for any increased cost to the Lender of agreeing to make or making, funding or maintaining the Facility due to (i) the introduction of, or any change in or in the interpretation of, any Law or regulation (including, without limitation, any Law or regulation imposing or increasing reserve requirements), or (ii) compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of Law). A certificate as to the amount of such increased costs submitted by the Lender shall be conclusive and binding for all purposes absent manifest error.
9. Any and all payments by an Obligor under any Facility Document shall be made free and clear of and without deduction or withholding for any and all present or future Taxes unless such Taxes are required by Law to be deducted or withheld. If an Obligor shall be required by Law to deduct or withhold any Taxes from or in respect of any sum payable under any Facility Document, (i) the sum payable shall be increased as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts paid under this paragraph 9) the Lender receives an amount equal to the sum it would have received if no deduction or withholding had been made, (ii) each Obligor shall make such deductions or withholdings, and (iii) each Obligor shall pay the full amount deducted or withheld to the relevant taxation or other authority in accordance with applicable Law.
10. Each Obligor shall indemnify the Lender against all losses, damages, expenses and liabilities incurred or sustained by the Lender as a result of any failure by any Obligor to

fulfil the terms and conditions of the Facility Documents, including, without limitation, any loss or expense incurred by reason of the liquidation or re-employment of deposits or other funds acquired by the Lender to fund or maintain the Facility if an Advance, as a result of such failure, is not made on the date specified or must be repaid because of an Event of Default.

11. Each Obligor shall, at the request of the Lender, execute and deliver or cause to be executed and delivered, all such Facility Documents as the Lender may require from time to time, and all such other documents, instruments or certificates as the Lender may reasonably require from time to time for the purpose of giving full effect to this letter agreement and the other Facility Documents.
12. Upon the occurrence of an event described in paragraph 3 under the heading "Events of Default", each of the Obligors agrees to do all such things as may be necessary or desirable to permit the Lender, at its option, to replace the GP with a new general partner of the Lender's choosing.

Negative Covenants

The Obligors, as applicable, jointly and severally covenant and agree with the Lender that:

1. Neither the Borrower nor the GP shall, without the prior written consent of the Lender, amend the material terms of, assign or terminate, any material contract under which the Borrower is a party or beneficiary, including any Credit Documents (other than termination or assignment of Credit Documents relating to assets which have been fully paid out vis-à-vis the Borrower), the limited partnership agreement of the Borrower and any management agreement entered into by the GP with respect to the Borrower.
2. Neither the Borrower nor the GP shall assign, transfer or otherwise dispose of any of its assets, except for Permitted Dispositions.
3. No Obligor shall create or suffer to exist any lien, security interest or other adverse claim upon its assets, whether now owned or hereafter acquired, other than Permitted Encumbrances.
4. Neither the Borrower nor the GP shall issue, assume or incur any Indebtedness, except for Permitted Debt.
5. TIMIA shall not issue, assume or incur any Indebtedness that ranks in priority to the Facility or which is otherwise subject to any security interests in favour of the lender thereof.
6. Neither the Borrower nor the GP shall, without the prior written consent of the Lender, prepay any other material Indebtedness (other than Indebtedness owing to any other Obligor) prior to its stated maturity or regularly scheduled payment dates.
7. Neither the Borrower nor the GP shall, without the prior written consent of the Lender, amalgamate, merge or consolidate with or into, or sell all or substantially all of its assets to, (whether in a single transaction or a series of transactions) any Person.

Financial Covenants

So long as any amount or obligation is outstanding under the Facility:

1. the Borrower covenants and agrees with the Lender that it will maintain, as tested at each fiscal quarter-end, and confirmed in a certificate provided by the Borrower to the Lender within 25 days of such quarter-end, a ratio of its cashflow for each quarter to its scheduled payments on Indebtedness during each such quarter (other than any Indebtedness owing to TIMIA) of not less than 3:1.
2. TIMIA covenants and agrees with the Lender that it will maintain, as tested at each fiscal quarter-end and confirmed in a certificate provided by TIMIA to the Lender within 25 days of such quarter-end:
 - (a) its Indebtedness at a level not exceeding 70% of its current assets; and
 - (b) a cash balance of not less than \$750,000.

Events of Default

Upon the happening of any of the following events (each an “**Event of Default**”), the Lender may, by notice in writing to the Borrower, accelerate the maturity of the Facility and require immediate payment of all amounts owing under the Facility Documents:

1. If the Borrower fails to pay to the Lender any amount of principal or interest for a period of two Business Days after such principal or interest is due.
2. Except as set forth in (1) above, if any Obligor commits a default under or breaches any of the agreements or covenants on its part to be performed in the Facility Documents and, except in the case of Negative Covenants, such default or breach continues for a period of 30 days or more.
3. If an order is made or an effective resolution is passed for the winding-up, liquidation, reorganization or dissolution of any Obligor (except for the purposes of a bona fide corporate reorganization previously approved in writing by the Lender), or if any Obligor makes a general assignment for the benefit of creditors or proposal under the *Bankruptcy and Insolvency Act* (Canada), or under similar legislation in any other jurisdiction, or is declared bankrupt, or if a custodian or a sequestrator or a receiver or a receiver and manager or any other officer with similar powers is appointed for the Borrower or its property or any portion of such property which is, in the Lender's opinion, substantial.
4. If any representation or warranty made by any Obligor in any Facility Document or any related document, agreement or certificate, is found to be false or incorrect in any way so as to make it materially misleading when made and, if such representation or warranty is capable of being corrected within 30 days, it has not been accurately corrected by such Obligor within 30 days.
5. If any Facility Document for any reason ceases to be in full force and effect or is declared null and void, or (if applicable) the Facility Documents cease to provide a valid and subsisting lien or security interest on the property therein referred to in priority to all other

encumbrances other than Permitted Encumbrances, or the validity or enforceability of any Facility Document is contested by any Obligor, or any Obligor denies that it has any further liability or obligation thereunder.

6. If any judgment or order for the payment of money in excess of \$500,000 is rendered against any Obligor unless the execution of the same shall have been stayed by an order of a competent authority within 30 days.
7. If any Obligor fails to pay any Indebtedness in excess of \$500,000, or any interest or premium on any such Indebtedness, when due (whether at stated maturity or by required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other default under any agreement or instrument relating to such Indebtedness, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or any such Indebtedness is declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to its stated maturity.
8. If there has occurred any other event or development that, in the Lender's opinion, is likely to have a material adverse effect on the business, operations, results of operations, prospects, assets, liabilities or financial condition of the Obligors taken as a whole, which event or development, in the Lender's opinion, acting reasonably, is incapable of being cured within a period of 30 days or less.

Miscellaneous

Any notice, direction or other communication required or permitted to be given under this letter agreement shall be in writing and given by delivering it or sending it by facsimile, email or other similar form of recorded communication addressed:

- (a) if to any Obligor, to it at:
c/o TIMIA Capital Corp.
Attention: [Redacted]
Telephone: [Redacted]
Email: [Redacted]

- (b) if to the Lender, to it at:
Turnham Green Investments Inc.
Attention: [Redacted]
Telephone: [Redacted]
Email: [Redacted]

Any communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Vancouver time), (ii) if transmitted by email, on the Business Day following

the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

Each Obligor agrees that the Lender and its authorized representatives may, from time to time and, unless an Event of Default has occurred and is continuing, upon 15 days' notice at its own cost and expense, visit and inspect the premises of each Obligor and inspect and take extracts from each Obligor's financial and operating records.

All amounts outstanding under the Facility and accrued interest shall be repaid or paid in Canadian dollars. All dollar amounts referred to in this letter agreement shall be deemed to refer to Canadian dollars.

The Lender may assign all or otherwise transfer all or any part of, or may grant participations in all or any part of, its interests in the Facility and the Facility Documents to any other Person. This letter agreement may not be assigned by any Obligor without the prior written consent of the Lender.

In the event of any conflict between the provisions of this letter agreement and the provisions of any of the other Facility Documents, the provisions of this letter agreement shall prevail to the extent of such conflict.

This letter agreement shall be governed by and interpreted and enforced in accordance with the Laws of the Province of British Columbia and the Laws of Canada applicable therein.

This letter agreement and the other Facility Documents constitute the entire agreement between the Lender on one hand and the Obligors on the other hand, and cancels and supersedes any other agreements, undertakings, declarations, representations and warranties, written or verbal among such parties in respect of the subject matter of this letter agreement.

In this letter agreement: (i) reference to any body corporate shall include successors thereto, whether by way of amalgamation or otherwise; (ii) references to any statute, enactment or legislation or to any section or provision thereof include a reference to any order, ordinance, regulation, rule or by-law or proclamation made under or pursuant to that statute, enactment or legislation and all amendments, modifications, consolidations, re-enactments or replacements thereof or substitutions therefor from time to time; and (iii) reference to any agreement, instrument, permit or other document shall include reference to such agreement, instrument, permit or other document as the same may from time to time be amended, supplemented or restated.

As the context requires, words importing the singular number shall include the plural and vice versa, and words importing gender including the masculine, feminine and neuter genders. All accounting terms not otherwise specifically defined in this letter agreement shall be construed in accordance with generally accepted accounting principles consistently applied.

This letter agreement may be executed in any number of counterparts (including by facsimile transmission) and by different parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

[execution page(s) follow]

Please evidence your agreement to and acceptance of this letter agreement by signing and returning the enclosed copy on or before November 21, 2019.

Yours truly,
**TURNHAM GREEN INVESTMENTS
INC.**

By: "signed"

Authorized Signatory

The undersigned Borrower agrees to and accepts this letter agreement on and subject to its terms and conditions, as of November 21, 2019.

**TIMIA CAPITAL HOLDINGS
LIMITED PARTNERSHIP by its general
partner, TIMIA CAPITAL GP INC.**

By: "signed"

Authorized Signatory

The undersigned Guarantors agree to and accept this letter agreement on and subject to its terms and conditions, as of November 21, 2019.

TIMIA CAPITAL GP INC.

By: "signed"

Authorized Signatory

TIMIA CAPITAL CORP.

By: "signed"

Authorized Signatory

**SCHEDULE A
CERTAIN DEFINED TERMS**

For the purposes of this letter agreement:

“Advance” means an advance of funds made hereunder to the Borrower by the Lender.

“Advance Date” means, with respect to an Advance, the date on which such Advance is made.

“Approved Asset” means an Eligible Asset that has been approved in writing by the Lender for funding or, in the case of the Initial Approval Assets, acquisition by the Borrower.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed for business in Vancouver, British Columbia.

“Credit Criteria” means the credit origination and approval criteria for Eligible Assets, of which the minimum standards to be met are set out in Schedule B.

“Credit Documents” means, with respect to any Eligible Asset, Approved Asset or Margined Asset, each of the documents creating, governing, securing, guaranteeing or otherwise relating to such asset.

“Eligible Asset” means a first-ranking secured transferrable loan or royalty/revenue-based receivable owed to the Borrower (including, in the case of the Initial Approved Assets, following the transfer thereof by TIMIA to the Borrower) by an Investee that:

- (a) was originated by TIMIA or the Borrower, as the case may be, in accordance with the Credit Criteria;
- (b) is due under Credit Documents in respect of which TIMIA (in the case of Initial Approved Assets) or the Borrower, received customary legal opinions from a reputable law firm (which may be relied upon by assigns of the addressees), including as to each Investee’s existence, capacity, due authorization and execution, enforceability, and validity and perfection of security interests; and
- (c) is in Good Standing.

“Good Standing” means, with respect to any Eligible Asset, Approved Asset or Margined Asset, that, at the time, no default or breach has occurred and is continuing under the Credit Documents applicable to such asset.

“Indebtedness” means, with respect to any Person, all liabilities and obligations which, in accordance with generally accepted accounting principles, would be classified as debt on an unconsolidated balance sheet of such Person plus, without duplication, the following:

- (a) letters of credit, bank guarantees and banker's acceptances issued at the request of such Person, guarantees and endorsements other than endorsements on notes, bills and cheques presented to banks for collection or deposit in the ordinary course of business;
- (b) other liabilities and obligations in respect of the indebtedness or obligations of third parties;
- (c) capital or financial leases, as required by generally accepted accounting principles from time to time to be included as a balance sheet item; and
- (d) the aggregate amount at which any shares in the capital of such Person that are redeemable or retractable at the option of the holder may be redeemed or retracted.

"Initial Approved Assets" means the following Eligible Assets transferred by TIMIA to the Borrower on or about the date of the first Advance under this Agreement pursuant to a global assignment, transfer and assumption agreement:

- (a) a springboard term loan arrangement made pursuant to a springboard term loan agreement dated April 18, 2019 between TIMIA and **[commercial information - redacted]**;
- (b) a revenue based financing arrangement made pursuant to a loan agreement dated October 11, 2019 between TIMIA and **[commercial information - redacted]**; and
- (c) a springboard term loan arrangement made pursuant to a loan agreement dated May 31, 2019 between TIMIA and **[commercial information - redacted]**.

"Investee" means, individually and collectively, as the context may require, the borrower, guarantor or issuer, as the case may be, under Credit Documents.

"Law" means any law (including common law and equity), constitution, statute, treaty, regulation, rule, ordinance, order, injunction, writ, decree or award of any governmental authority.

"Margined Asset" means any of the Initial Approved Assets and any Approved Asset that has been financed by the Borrower with funding in part provided by an Advance and is held by the Borrower.

"Margined Asset Proceeds" means, with respect to any Margined Asset, all proceeds thereof, including each scheduled payment (including any prepayment) of principal or royalty/revenue-based payments, interest or other amounts made by any Investee from time to time under the terms of the applicable Credit Documents, fees, dividends and any amount received upon any realization on or disposition of such Margined Asset or any Investee's equity or equity-related securities granted to the Borrower in connection therewith.

“Maturity Date” means the date that is one year from the date hereof; provided that, the Borrower may, no later than two months prior to the one year anniversary of the date hereof, request an extension of three months, and, if such request is approved in writing by the Lender, the Maturity Date hereunder shall be the date that is 15 months from the date hereof.

“Permitted Debt” means any one or more of the following:

- (a) Indebtedness owing to any other Obligor; and
- (b) Indebtedness incurred with the prior written consent of the Lender.

“Permitted Dispositions” means any one or more of the following:

- (a) dispositions of Margined Assets by the Borrower, provided that no such disposition results in (i) the borrowings outstanding under the Facility exceeding 50% of the aggregate principal amount owed to the Borrower under the remaining Margined Assets that are in Good Standing (after accounting for immediate repayment made from the Margined Asset Proceeds); or (ii) the Borrower holding less than three Margined Assets; and
- (b) dispositions made with the prior written consent of the Lender.

“Permitted Encumbrances” means any one or more of the following:

- (a) encumbrances for taxes, assessments or governmental charges or levies which are not delinquent or the validity of which is being contested at the time by the relevant Obligor in good faith by proper legal proceedings if adequate provision has been made for their payment;
- (b) encumbrances securing appeal bonds and other similar encumbrances arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of litigation where required by Law and letters of credit) or any other instruments serving a similar purpose;
- (c) with respect to TIMIA:
 - (i) encumbrances securing a purchase money obligation;
 - (ii) encumbrances of any depository bank in connection with statutory, common law and contractual rights of set-off and recoupment with respect to any deposit account of TIMIA; and
 - (iii) possessory encumbrances which (A) occur in the ordinary course of business; and (B) secure normal trade debt which is not yet due and payable;
- (d) any encumbrances in favour of the Lender created by the Facility Documents; and

(e) any other encumbrances created with the prior written consent of the Lender.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority, or other entity.

“Prime Rate” the annual rate of interest publicly announced from time to time by the Royal Bank of Canada as its reference rate of interest for loans made in Canadian dollars to Canadian customers and designated as its “prime” rate.

“Royalty Amount” means, in respect of any revenue financing arrangement comprising a Margined Asset, the principal amount allocated and assigned from time to time by the Borrower to such revenue financing arrangement based on reasonable calculations by the Borrower’s management in respect of the estimated amortized loan value of such revenue financing arrangement in accordance with the underlying applicable revenue financing agreement.

“Taxes” means all taxes, levies, imposts, stamp taxes, duties, charges to tax, fees, deductions, withholdings, charges, compulsory loans or restrictions or conditions resulting in a charge which are imposed, levied, collected, withheld or assessed by any country or political subdivision or taxing authority thereof as of the date hereof or at any time in the future together with interest thereon and penalties with respect thereto, if any, and any payments of principal, interest, charges, fees or other amounts made on or in respect thereof (but excluding any taxes, franchise taxes, levies, imposts or charges imposed, levied or assessed in respect of or applied on the overall net income of the Lender, net earnings of the Lender, net profits of the Lender or capital or place of business of the Lender or on goods and services purchased by the Lender and any penalties and payments of principal, interest, charges, fees or other amounts made on or in respect thereof).

SCHEDULE B CREDIT CRITERIA

- Funds will be advanced on the basis of credit-committee approval. Advances will typically be based on the demonstrated willingness and ability of the investee to repay on schedule and respect any terms and conditions under the applicable documentation and the availability of sufficient security to safeguard the investment.
- Investees will be provided with a full explanation of the terms and conditions of the investment before documentation is signed and, to the degree legally possible, agreements and security documents will contain clear statements of the terms and conditions, including fees and penalties.
- Investment activities and decisions must be managed prudently, and credit policies and procedures must ensure full compliance with all applicable regulatory requirements.
- The primary focus of investment decisions shall be to seek investment opportunities that are both “safe and sound”, originated from credit worthy customers with readily identifiable sources of income for repayment, providing competitive yields, which are adequately secured.
- Portfolio risk will be monitored on an ongoing basis, with risk measurement and reporting occurring on a periodic basis.
- Credit applications will be presented in a standard format for approval.
- No investment shall exceed six years in term.
- Real property security will not be accepted unless appropriate environmental risk assessments have been undertaken.
- Impaired investments will be actively managed with the intent of avoiding loss or mitigating it to the greatest extent possible. Impaired investments shall be dealt with in a timely manner, which may include renegotiation of terms, but shall not be arranged in order to potentially disguise investment impairment.
- A report on all delinquent or impaired investments shall be submitted on a periodic basis, clearly articulating corrective actions being undertaken.
- Investment policies will be periodically reviewed.