

## UNDERWRITING AGREEMENT

Effective as of November 20, 2017

Harvest One Cannabis Inc.  
1066 West Hastings Street, Suite 2650  
Vancouver, BC V6E 3X1

**Attention: Mr. Andreas Gedeon, Chief Executive Officer and Managing Director**

Dear Sir:

**Re: Offering of Convertible Unsecured Subordinated Debenture Units of Harvest One Cannabis Inc.**

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Based on the terms and conditions set out below, Mackie Research Capital Corporation, as lead underwriter (the "**Lead Underwriter**"), together with Haywood Securities Inc. and Eight Capital (together with the Lead Underwriter, the "**Underwriters**" and each, an "**Underwriter**") hereby severally (and not jointly nor jointly and severally), in their respective percentages set out in Section 16.1 below, offer to purchase for resale from Harvest One Cannabis Inc. (the "**Corporation**"), and the Corporation, by its acceptance of this offer agrees to issue and sell to the Underwriters, at the Closing Time (as defined below), an aggregate of 17,500 units (the "**Units**") of the Corporation at a purchase price of \$1,000 per Unit (the "**Offering Price**"), for an aggregate purchase price of \$17,500,000. Each Unit shall be comprised of one (1) \$1,000 principal amount of 8.0% convertible unsecured subordinated debentures of the Corporation (each, a "**Debenture**") and 458 common share purchase warrants (each, a "**Warrant**").

The Debentures will bear interest at an annual rate of 8.0% payable semi-annually, in arrears on December 31 and June 30 of each year, commencing on June 30, 2018. The maturity date (the "**Maturity Date**") for the Debentures will be the date that is five years from the Closing Date.

The Debentures will be convertible into Common Shares (as defined below) at the option of the holder at any time prior to the close of business on the earlier of: (i) the last Business Day (as defined below) immediately preceding the Maturity Date; and (ii) the Business Day immediately preceding the date fixed for redemption of the Debentures, at a conversion price of \$0.84 per Common Share, subject to adjustment in certain events (the "**Conversion Price**"). Holders converting their Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, but excluding, the date of conversion.

The Corporation may force the conversion (the "**Mandatory Conversion**") of all of the principal amount of the then outstanding Debentures at the Conversion Price on not more than 60 days' and not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than \$1.40 for any 30 consecutive trading days, subject to the Mandatory Conversion being permitted under the policies of the principal exchange for any trading of the Debentures at that time. The description of the Debentures herein is a summary only and is subject to the specific attributes and detailed provisions of the Debentures to be set forth in the Debentures Indenture (as defined below). In case of any inconsistency between the description of the Debentures in this Agreement (as defined below) and the terms of the Debentures as set forth in the Debentures Indenture, the provisions of the Debentures Indenture shall govern.

Each Warrant will be exercisable to acquire one (1) Common Share of the Corporation (a "**Warrant Share**") for a period of three years following the Closing Date (as defined below) at an exercise price of

\$1.09 per Warrant Share, subject to adjustment and acceleration in certain events. The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture (as defined below). In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

The Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase up to an additional 2,625 Units of the Corporation (the "**Option Units**"), each Option Unit to be comprised of one (1) Debenture and 458 Warrants, at the Offering Price for additional gross proceeds of up to \$2,625,000, upon the terms and conditions set forth herein. The Over-Allotment Option shall be exercisable, in whole or in part, at any time on or before 12:00 p.m. (EST) on the 30<sup>th</sup> day following the Closing Date ("**Over-Allotment Expiry Date**") for the purpose of satisfying over-allotments, if any, and for market stabilization purposes. All references in this Agreement to "Units" include any Option Units and Compensation Units, all references to the "**Offering**" include any exercise of the Over-Allotment Option, and all references to "**Closing Date**" include the Over-Allotment Closing Date (as defined below), in each case, as the context may permit or require.

The Units may be distributed in each of the provinces of Canada other than the Province of Québec (the "**Qualifying Jurisdictions**") by the Underwriters pursuant to the Prospectus (as defined below) and may be offered and sold in the United States (as defined below) only in accordance with Schedule "A" hereto, which is incorporated by reference herein and forms part of this Agreement with respect to all offers and sales hereunder to, or for the account or benefit of, persons in the United States and U.S. Persons (as defined in Schedule "A" hereto). In particular, all offers of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons shall be made through a U.S. Affiliate (as defined in Schedule "A" hereto) of an Underwriter in accordance with Rule 144A (as defined in Schedule "A" hereto), shall first be purchased by an Underwriter or a U.S. Affiliate, acting as principal, shall be resold in accordance with Rule 144A, and shall be made in accordance with all applicable state securities Laws. Subject to applicable Laws, including the U.S. Securities Act (as defined in Schedule "A" hereto) and the terms of this Agreement, the Units may also be distributed outside Canada and the United States to non-U.S. Persons where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdictions provided that the Corporation is provided notice of and consents to such sales and that no prospectus filing or comparable obligation arises and the Corporation does not thereafter become subject to continuous disclosure obligations in such jurisdictions.

In consideration of the agreement of the Underwriters to purchase the Units and to offer them to the public pursuant to the Prospectus, the Corporation agrees to pay to the Underwriters, at the Closing Time (as defined below) and at the Over-Allotment Closing Time (as defined below), as applicable, a fee equal to 6.0% of the Offering Price per Unit, or \$60 per Unit in respect of all Units to be sold to the Underwriters pursuant to the Offering (the "**Underwriting Fee**"). The obligation of the Corporation to pay the Underwriting Fee shall arise at the Closing Time and, if applicable, the Over-Allotment Closing Time, and the Underwriting Fee shall be fully earned by the Underwriters at such time.

As additional compensation for the services provided, the Corporation will issue to the Underwriters, upon and subject to the provisions of Article 11 hereof, the Compensation Units (as defined below). At the Closing Time, and, if applicable, the Over-Allotment Closing Time, the Corporation shall deliver to the Underwriters (or their agents, as the case may be) the Compensation Units. The Underwriters acknowledge and agree that the Compensation Units, the Debentures, the Debenture Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the Warrants may not be exercised for the account or benefit of a U.S. Person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act and the applicable securities laws of any state of the United

States. Each Underwriter agrees that it will not offer or sell any Compensation Units, Debentures, Debenture Shares, Warrants or Warrant Shares in the United States or to U.S. Persons unless in compliance with an exemption from the registration requirements of the U.S. Securities Act and any applicable Securities Laws.

The Underwriters shall be entitled (but not obligated) in connection with the Offering to retain as sub-agents other registered securities dealers and may receive subscriptions for Units from subscribers from other registered dealers, at no additional cost to the Corporation. The fee payable to any such Selling Firm (as defined below) shall be for the account of the Underwriters.

The following are the terms and conditions of the agreement between the Corporation and the Underwriters:

## ARTICLE 1 DEFINITIONS AND INTERPRETATION

**1.1** In this Agreement:

"**ACMPR Licence**" has the meaning given to that term in subsection 7.1(sss) of this Agreement;

"**Anti-Terrorism Laws**" has the meaning given to that term in subsection 7.1(xxx) of this Agreement;

"**affiliate**", "**associate**", "**distribution**", "**material change**", "**material fact**", "**misrepresentation**" and "**person**" have the respective meanings given to them in the British Columbia Act;

"**Agreement**" means this Underwriting Agreement and not any particular article or section or other portion except as may be specified and words such as "hereof", "hereto", "herein" and "hereby" refer to this Agreement as the context requires;

"**British Columbia Act**" means the *Securities Act* (British Columbia);

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario or Vancouver, British Columbia are not open for business;

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published policy statements, blanket orders, instruments and notices of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement;

"**Canadian Subsidiaries**" means, collectively, United Greeneries Holdings Ltd., United Greeneries Ltd, United Greeneries Saskatchewan Ltd. and United Greeneries Operations Ltd.;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Certificates of Free Sale**" means, collectively, the: (i) certificate of free sale for a food supplement providing the plan ingredient Cannabidiol from CO<sub>2</sub>-extracted Cannabis sativa plant and flowers "CBD 50 Capsules", provided by Freidrich Reuss Diplomchemiker and Assesor d.L. on May 8, 2017; and (ii) certificate of free sale for a food supplement providing the plan ingredient Cannabidiol from CO<sub>2</sub>-extracted Cannabis sativa plant and flowers "CBD 10 Capsules", provided by Freidrich Reuss Diplomchemiker and Assesor d.L. on May 8, 2017;

"**Claims**" has the meaning given to that term in Section 13.1 of this Agreement;

"**Closing**" means, with respect to the Units, the completion of the issue and sale by the Corporation of the Units pursuant to this Agreement;

"**Closing Date**" means December 11, 2017 or such other date as the Corporation and the Underwriters may agree, but in any event no later than the date that is 42 days after the date of the Final Receipt;

"**Closing Time**" means 8:00 a.m. (EST) on the Closing Date;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Compensation Units**" shall have the meaning ascribed thereto in Article 11 hereof;

"**Computershare**" means Computershare Trust Company of Canada;

"**Continuing Underwriters**" has the meaning given to that term in Section 16.2 of this Agreement;

"**Corporation**" has the meaning given to that term on the face page of this Agreement;

"**Debenture Indenture**" means the trust indenture to be dated as of the Closing Date, to be entered into between the Corporation and Computershare, providing for the issue of the Debentures;

"**Debenture Shares**" means the Common Shares issuable pursuant to the Debentures in accordance with and pursuant to the terms and conditions of the Debenture Indenture;

"**Debentures**" has the meaning ascribed to such term in the first paragraph of this Agreement;

"**Defaulted Securities**" has the meaning given to that term in Section 16.2 of this Agreement;

"**Documents Incorporated by Reference**" means all financial statements, management information circulars, annual information forms, material change reports, business acquisition reports, Marketing Materials or other documents filed by the Corporation, whether before or after the date of this Agreement, that are required by applicable Canadian Securities Laws to be incorporated by reference into the Preliminary Prospectus, the Prospectus or any Supplementary Material, as applicable;

"**Due Diligence Responses**" means the written and verbal responses provided by the Corporation together with all materials provided to the Underwriters' counsel during the Due Diligence Session, as given by any director or senior officer of the Corporation, at a Due Diligence Session;

"**Due Diligence Session**" has the meaning given to that term in Article 3 of this Agreement;

"**Employee Plans**" has the meaning given to that term in subsection 7.1(ss) of this Agreement;

"**Engagement Letter**" means the letter agreement dated as of November 19, 2017, signed by the Lead Underwriter and accepted by the Corporation, and reconfirmed by the Lead Underwriter on November 20, 2017, relating to the Offering, as amended by the letter agreement dated November 21, 2017 between the Lead Underwriter and the Corporation in connection with the upsized Offering;

"**Executive Order**" has the meaning given to that term in subsection 7.1(yyy) of this Agreement;

**"February Warrants"** means the share purchase warrants of the Corporation issued on February 22, 2017, entitling the holders thereof to acquire one (1) Common Share for an exercise price of \$1.00 per Common Share, governed by the terms of a warrant indenture dated February 22, 2017 among the Corporation and Computershare;

**"Final Receipt"** means a receipt for the Prospectus issued in accordance with the Passport System;

**"Financial Statements"** means the financial statements of the Corporation included in the Documents Incorporated by Reference, including the notes to such statements and the related auditors' report on such statements, prepared in accordance with international financial statement reporting standards as in force at the applicable time;

**"Forward Looking Statements"** has the meaning given to that term in subsection 7.1(cc) of this Agreement;

**"Governmental Authority"** means any governmental authority and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

**"IFRS"** means International Financial Reporting Standards as issued by the International Accounting Standards Board, or any successor entity, applicable as at the date on which such principles are applied;

**"Indemnified Party"** has the meaning given to that term in Section 13.1 of this Agreement;

**"Intellectual Property"** has the meaning given to that term in subsection 7.1(hhh) of this Agreement;

**"knowledge"** means, with respect to the Corporation, the knowledge of each of the officers of the Corporation about the facts or circumstances to which such phrase relates, after having made due and applicable inquiries and investigations in connection with such facts and circumstances;

**"Laws"** means the Canadian Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

**"Lead Underwriter"** has the meaning given to that term on the face page of this Agreement;

**"Leased Premises"** means each premises which the Corporation or any Subsidiary occupies as tenant;

**"Losses"** has the meaning given to that term in Section 13.1 of this Agreement;

**"Marketing Materials"** has the meaning given to it in NI 41-101;

**"Material Adverse Effect"** means the effect resulting from any change, event, violation, inaccuracy or circumstance that is materially adverse to the business, assets (including intangible assets), liabilities,

capitalization, ownership, prospects, financial condition, or results of operations of the Corporation and the Subsidiaries, taken as a whole;

**"Material Agreement"** means any material contract, commitment, agreement (written or oral), instrument, lease or other document, license agreement and agreements relating to intellectual property, to which the Corporation or any Subsidiary are a party or to which any of their property or assets are otherwise bound;

**"NI 41-101"** means National Instrument 41-101 - *General Prospectus Requirements*;

**"NI 44-101"** means National Instrument 44-101 - *Short Form Prospectus Distributions*;

**"NP 11-202"** means National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions*;

**"OFAC"** has the meaning given to that term in subsection 7.1(yyy) of this Agreement;

**"Offering"** has the meaning given to that term on the face page of this Agreement;

**"Offering Documents"** means, collectively, the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum, the U.S. Placement Memorandum, and any Supplementary Material;

**"Option Units"** has the meaning given to that term on the face page of this Agreement;

**"Over-Allotment Closing Date"** means such date as the Corporation and the Underwriters may agree to close on the transactions contemplated by the Over-Allotment Option;

**"Over-Allotment Closing Time"** has the meaning ascribed thereto in Section 18.1;

**"Over-Allotment Expiry Date"** has the meaning given to that term on the face page of this Agreement;

**"Over-Allotment Option"** has the meaning given to that term on the face page of this Agreement;

**"Owned Real Property"** means, collectively, the properties in: (a) Duncan, British Columbia owned by United Greeneries Ltd.; and (b) Lucky Lake, Saskatchewan owned by United Greeneries Ltd.;

**"Passport System"** means the procedures described under Multilateral Instrument 11-102 -Passport System and NP 11-202;

**"Permits"** means all licences, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or otherwise);

**"person"** shall be broadly interpreted and shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust or other legal entity;

**"Preferred Shares"** has the meaning given to that term in subsection 5.1(d)(iii) of this Agreement;

**"Preliminary Prospectus"** means the preliminary short form prospectus of the Corporation dated November 24, 2017, including all Documents Incorporated by Reference, approved, signed and certified in accordance with Canadian Securities Laws, relating to the qualification for distribution of the Units under applicable Canadian Securities Laws;

**"Preliminary Receipt"** means a receipt for the Preliminary Prospectus issued in accordance with the Passport System;

**"Preliminary U.S. Placement Memorandum"** means the preliminary U.S. private placement memorandum and any amendments thereto, including the Preliminary Prospectus;

**"Prospectus"** means the final short form prospectus of the Corporation, including all Documents Incorporated by Reference, to be approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Units under applicable Canadian Securities Laws;

**"Qualifying Jurisdictions"** has the meaning given to that term on the face page of this Agreement;

**"Refusing Underwriter"** has the meaning given to that term in Section 16.2 of this Agreement;

**"SEC"** means the United States Securities and Exchange Commission;

**"Securities Commissions"** means collectively, the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

**"Selling Firm"** has the meaning given to it in Section 4.1 of this Agreement;

**"standard term sheet"** has the meaning ascribed thereto under NI 41-101;

**"Subject Entities"** mean persons engaging in activities related to the cultivation, distribution or possession of marijuana in the United States;

**"Subsidiaries"** means, collectively, each subsidiary of the Corporation, including the Canadian Subsidiaries as well as Satipharm AG, Satipharm Europe Ltd., Satipharm Australia Pty Ltd. and Satipharm Canada Limited;

**"subsidiary"** shall have the meaning ascribed thereto in the British Columbia Act;

**"Supplementary Material"** means, collectively, (i) any amendment to the Preliminary Prospectus or the Prospectus, or any amended or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under the Canadian Securities Laws relating to the qualification for distribution of the Units under applicable Canadian Securities Laws, and any amendment to the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum or any amended or supplemental placement memorandum or ancillary materials that may be circulated to prospective purchasers of the Units;

**"Taxes"** has the meaning given to that term in subsection 7.1(jj) of this Agreement;

**"Transfer Agent"** means Computershare Investor Services Inc.;

**"TSXV"** means the TSX Venture Exchange;

**"Underlying Securities"** means, collectively, the Debentures and the Warrants comprising the Units, the Debenture Shares and the Warrant Shares;

**"Underwriters"** or **"Underwriter"** has the meaning given to that term on the face page of this Agreement;

"**Underwriters' Information**" has the meaning given to that term in subsection 6.1(a) of this Agreement;

"**Underwriting Fee**" has the meaning given to that term on the second page of this Agreement;

"**United States**" and "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**Units**" has the meaning given to that term on the face page of this Agreement;

"**U.S. Placement Memorandum**" means the U.S. private placement memorandum and any amendments thereto, including the Prospectus;

"**U.S. Securities Laws**" means the United States federal securities laws, including, without limitation, the U.S. Securities Act and the U.S. Exchange Act, and applicable state securities laws;

"**Warrant Indenture**" means the warrant indenture to be dated as of the Closing Date between the Corporation and Computershare, in a form to be agreed upon by the Corporation and the Underwriters, each acting reasonably;

"**Warrant Shares**" has the meaning ascribed to such term in the fifth paragraph of this Agreement; and

"**Warrants**" means the common share purchase warrants of the Corporation partially comprising the Units.

- 1.2** All capitalized terms used but not otherwise defined herein have the meanings given to them in the Prospectus.
- 1.3** The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or the interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement.
- 1.4** Unless otherwise expressly provided in this Agreement, (i) words importing only the singular number include the plural and vice versa and words importing gender include all genders; and (ii) all references to dollars or "\$" are to Canadian dollars.
- 1.5** The following is a schedule to this Agreement, which schedule (including the representations, warranties and covenants set out therein) is deemed to be a part hereof and is hereby incorporated by reference herein:

Schedule "A" – Compliance with United States Securities Laws

## **ARTICLE 2 COMPLIANCE WITH LAWS**

- 2.1** The Corporation covenants with the Underwriters that (i) the Corporation shall, no later than 5:00 p.m. (PST) on November 24, 2017, file the Preliminary Prospectus, in form and substance satisfactory to the Underwriters, with the Securities Commissions under the Canadian Securities Laws pursuant to the Passport System and NP 11-202 and shall designate the Province of British Columbia as the designated and principal jurisdiction thereunder, together with the required

supporting documents, and (ii) following receipt of the Preliminary Receipt, the Corporation shall promptly resolve all comments received or deficiencies raised by the Securities Commissions and prepare and file the Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably with the Securities Commissions under the Canadian Securities Laws, together with the required supporting documents, and will obtain the Final Receipt from the British Columbia Securities Commission, as principal regulator as soon as possible after the filing of the Prospectus, and, in any event, use its reasonably commercial efforts to obtain such document by no later than 5:00 p.m. (EST) on December 4, 2017 (or such other time and/or date as the Corporation and the Underwriters may agree) and the Corporation shall promptly fulfill and comply with, to the satisfaction of the Underwriters, acting reasonably, the Canadian Securities Laws and U.S. Securities Laws required to be fulfilled or complied with by the Corporation to enable the Units to be lawfully distributed in such jurisdictions through the Underwriters or their respective affiliates or any other investment dealers or brokers registered in such jurisdictions as contemplated therein.

**2.2** During the distribution of the Units:

- (a) the Corporation shall prepare, in consultation with the Lead Underwriter, and approve in writing, prior to such time any Marketing Materials are provided to potential investors in Units, a template version of any Marketing Materials reasonably requested to be provided by the Underwriters to any such potential investor, such Marketing Materials to comply with Canadian Securities Laws and to be acceptable in form and substance to the Underwriters, acting reasonably;
- (b) the Lead Underwriter shall, on behalf of the Underwriters, as contemplated by Canadian Securities Laws, approve a template version of any such Marketing Materials in writing prior to the time such Marketing Materials are provided to potential investors in Units;
- (c) the Corporation shall file a template version of any Marketing Materials on SEDAR as soon as reasonably practicable after such Marketing Materials are so approved in writing by the Corporation and the Lead Underwriter and, in any event, on or before the day the Marketing Materials are first provided to any potential investor in Units, and any comparables (as defined in NI 41-101) shall be removed from the template version in accordance with NI 44-101 prior to filing such on SEDAR (provided that if any such comparables are removed, the Corporation shall deliver a complete template version of any such Marketing Materials to the Securities Commissions), and the Corporation shall provide a copy of such filed template version to the Underwriters as soon as practicable following such filing; and
- (d) following the approvals and filings set forth in subsections 2.2(a) to 2.2(c) above, the Underwriters may provide a limited-use version of such Marketing Materials to potential investors in Units in accordance with Canadian Securities Laws.

**2.3** The Corporation and the Underwriters, on a several (and not joint nor joint and several) basis, covenant and agree, during the distribution of the Units:

- (a) not to provide any potential investor of Units with any Marketing Materials unless a template version of such materials has been filed by the Corporation with the Securities Commissions on or before the day such Marketing Materials are first provided to any potential investor of Units; and

- (b) not to provide any potential investor with any materials or information in relation to the distribution of the Units or the Corporation, other than: (A) such Marketing Materials that have been approved and filed in accordance with subsection 2.2(c); and (B) the Prospectus.

2.4 Each purchaser who is resident in a Qualifying Jurisdiction shall purchase the Units pursuant to the Prospectus. Each other purchaser not resident in a Qualifying Jurisdiction shall purchase only on a private placement basis in accordance with such procedures as the Corporation and the Underwriters may mutually agree, acting reasonably, in order to fully comply with applicable Laws and the terms of this Agreement (Section 4.2 hereof with respect to offers and sales in jurisdictions other than the Qualifying Jurisdictions and including Schedule "A" hereto with respect to all offers and sales hereunder). The Corporation hereby agrees to ensure compliance by the Corporation with all applicable Canadian Securities Laws on a timely basis in connection with the distribution of the Units to purchasers resident in the Qualifying Jurisdictions and to take or cause to be taken all steps and proceedings required under U.S. Securities Laws to offer and sell the Units in accordance with Schedule "A" hereto provided the Underwriters comply with their obligations hereunder. The Corporation also agrees to file within the periods stipulated under applicable Laws and at the Corporation's expense all private placement forms required to be filed by the Corporation in connection with the Offering and pay all filing fees required to be paid in connection therewith so that the distribution of the Units outside of Canada may lawfully occur without the necessity of filing a prospectus or any similar document under the applicable Laws outside of Canada.

### **ARTICLE 3 DUE DILIGENCE**

Prior to the filing of the Preliminary Prospectus, the Prospectus and any Supplementary Material, the Corporation shall allow the Underwriters to participate fully in the preparation of such documents and shall allow the Underwriters to conduct all due diligence which the Underwriters may reasonably require in order to fulfill their obligations as underwriters and in order to enable the Underwriters responsibly to execute any certificate related to such documents required to be executed by them under applicable Canadian Securities Laws. Up to the later of the Closing Date or Over-Allotment Closing Date, as applicable, and the date of completion of the distribution of the Units, the Corporation shall allow each of the Underwriters to conduct any due diligence investigations that any of them reasonably requires to confirm as at any date that it continues to have reasonable grounds for the belief that the Offering Documents do not contain a misrepresentation as at such date or as at the date of such Offering Documents or, for purposes of U.S. Securities Laws, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances under which they were made, not misleading as at such date or as at the date of such Offering Documents. Without limiting the generality of the foregoing, the Corporation shall make available its directors and senior management, and shall use all commercially reasonable efforts to cause its auditors (including of any predecessor entity or business), and legal counsel to be available, as applicable, to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to the Closing Time (collectively, the "**Due Diligence Session**"). The Underwriters shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to such questions in advance of the Due Diligence Session and shall use all commercially reasonable efforts to have the above-mentioned auditors and legal counsel provide written responses to such questions in advance of the Due Diligence Session.

**ARTICLE 4**  
**DISTRIBUTION AND CERTAIN OBLIGATIONS OF UNDERWRITERS**

- 4.1** The Underwriters shall, and shall require any investment dealer or broker (other than the Underwriters) with which the Underwriters have a contractual relationship in respect of the distribution of the Units (each, a "**Selling Firm**") to agree to, comply with applicable Laws, including Canadian Securities Laws and U.S. Securities Laws, in connection with the distribution hereof and shall offer the Units for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Offering Documents and this Agreement. The Underwriters (or, as applicable, their U.S. Affiliates) shall, and shall require any Selling Firm to, offer for sale to the public and sell the Units only in those jurisdictions where they may be lawfully offered for sale or sold, provided such Underwriter (or, as applicable, their U.S. Affiliates) or Selling Firm is appropriately registered in such jurisdiction. The Underwriters shall: (i) use all reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Units as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in their opinion, the Underwriters and the Selling Firms have ceased distribution of the Units and provide a breakdown of the number of Units distributed in each of the Qualifying Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the Securities Commissions.
- 4.2** The Underwriters (or, as applicable, their U.S. Affiliates) shall, and shall require any Selling Firm to agree to, distribute the Units in a manner which complies with and observes all applicable Laws in each jurisdiction into and from which they may offer to sell the Units or distribute the Prospectus, any Marketing Materials or any Supplementary Material in connection with the distribution of the Units and will not, directly or indirectly, offer, sell or deliver any Units or deliver the Prospectus, any Marketing Materials or any Supplementary Material to any person in any jurisdiction other than in the Qualifying Jurisdictions except in a manner which will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar requirements under the applicable Laws of such other jurisdictions or pay any unreasonable filing fees which relate to such other jurisdictions. Subject to the foregoing, the Underwriters (or, as applicable, their U.S. Affiliates) and any Selling Firm shall be entitled to offer and sell the Units to, or for the account or benefit of, persons in the United States and U.S. Persons solely pursuant to an applicable exemption or exemptions from the registration requirements of the U.S. Securities Act, and in other jurisdictions in accordance with any applicable Laws in the jurisdictions in which the Underwriters and/or Selling Firms offer the Units. Any offer or sale of the Units hereunder will be made in accordance with Schedule "A" hereto.
- 4.3** For the purposes of this Section 4, the Underwriters shall be entitled to assume that the Units are qualified for distribution in any Qualifying Jurisdiction where a receipt or similar document for the Prospectus shall have been obtained from the applicable Securities Commission (including the Final Receipt for the Prospectus issued under the Passport System and NP 11-202) following the filing of the Prospectus unless otherwise notified in writing.
- 4.4** The Corporation and the Underwriters agree that Schedule "A" hereto entitled "Compliance with United States Securities Laws" is incorporated by reference in and shall form part of this Agreement.
- 4.5** Notwithstanding the foregoing provisions of this Article 4, an Underwriter will not be liable to the Corporation under this Section 4 with respect to a default under this Article 4 or Schedule "A" hereto by another Underwriter or another Underwriter's U.S. Affiliate, or by a Selling Firm

appointed by another Underwriter, as the case may be, but only for a default under this Article 4 or Schedule "A" by itself or any Selling Firm appointed by such Underwriter.

## **ARTICLE 5 CONDITIONS OF THE OFFERING**

- 5.1** The Underwriters' obligations under this Agreement to purchase the Units are subject to the representations and warranties of the Corporation contained in this Agreement being true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as of the date of this Agreement and as of the Closing Time and the Over-Allotment Closing Time, as applicable, the performance by the Corporation of its obligations under this Agreement and each of the following conditions:
- (a) the Preliminary Prospectus and the Prospectus having been signed and certified on behalf of the Corporation and filed with the Securities Commissions in accordance with Canadian Securities Laws and a receipt having been obtained therefor by the Corporation from the British Columbia Securities Commission, as principal regulator, evidencing that a receipt has been issued with respect to the Preliminary Prospectus and the Prospectus from each of the Securities Commissions;
  - (b) receipt of evidence by the Underwriters, in a form acceptable to the Underwriters, acting reasonably, that all actions required to be taken by or on behalf of the Corporation, including the passing of all requisite resolutions of the directors of the Corporation, having been taken so as to approve the execution and delivery of this Agreement, the Debenture Indenture, the Warrant Indenture, and the Offering Documents, as applicable, and the distribution of the Units without restriction;
  - (c) the Corporation delivering to the Underwriters, at the Closing Time and the Over-Allotment Closing Time, as applicable, a certificate dated the Closing Date or the Over-Allotment Closing Date, as applicable, addressed to the Underwriters and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, in a form satisfactory to the Lead Underwriter, acting reasonably, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries and after having carefully examined the Prospectus and any Supplementary Material, that:
    - (i) the Corporation has complied in all material respects (except where already qualified by materiality, in which case the Corporation has complied in all respects) with all the covenants and satisfied in all material respects (except where already qualified by materiality, in which case the Corporation has satisfied in all respects) all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time or the Over-Allotment Closing Time, as applicable;
    - (ii) the representations and warranties of the Corporation contained in this Agreement and any certificate of the Corporation delivered hereunder are true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as at the Closing Time or the Over-Allotment Closing Time, as applicable, with the same force and effect as if made on and as at the Closing

Time or the Over-Allotment Closing Time, as applicable, after giving effect to the transactions contemplated by this Agreement;

- (iii) receipts have been issued by the Securities Commissions in the Qualifying Jurisdictions for the Prospectus and no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Debentures, Warrants or Common Shares or any other securities of the Corporation has been issued by any Governmental Authority and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Canadian Securities Laws or U.S. Securities Laws or by any Governmental Authority;
  - (iv) since the respective dates as of which information is given in the Prospectus: (A) there has been no material change affecting the Corporation on a consolidated basis; and (B) no transaction has been entered into by the Corporation other than in the ordinary course of business, which is material to the Corporation on a consolidated basis, other than to be disclosed in the Prospectus or any Supplementary Material, as the case may be;
  - (v) there have been no material changes to the Due Diligence Responses; and
  - (vi) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact or a new material fact) contained in the Prospectus which material fact or change is of such a nature as to render any statement in the Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Prospectus other than disclosed in any Supplementary Material.
- (d) the Underwriters receiving, at the Closing Time and the Over-Allotment Closing Time, as applicable, a legal opinion dated the Closing Date or the Over-Allotment Closing Date, as applicable, to be addressed to the Underwriters, in form and substance acceptable to the Underwriters acting reasonably, of Bennett Jones LLP, counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to the Underwriters and may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, public and exchange officials or of the auditors or transfer agents of the Corporation), with respect to the following matters:
- (i) that the Corporation is a reporting issuer under Canadian Securities Laws in each of the provinces of Canada other than Québec and is not on the list of defaulting issuers maintained under such legislation;
  - (ii) that the Corporation is a company incorporated under the laws of the Province of British Columbia and has the corporate power and capacity to own or lease its properties and assets, carry on its business as it is currently conducted, and to execute, deliver and perform its obligations under this Agreement, the Debenture Indenture and the Warrant Indenture;
  - (iii) that the authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares of the Corporation ("**Preferred Shares**") without nominal or par value and specifying

the number of issued and outstanding Common Shares and Preferred Shares immediately prior to the Closing Time or the Over-Allotment Closing Time, as applicable;

- (iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus and the Prospectus and the filing thereof under Canadian Securities Laws in each of the Qualifying Jurisdictions;
- (v) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement, the Debenture Indenture and the Warrant Indenture and the performance of the Corporation's obligations hereunder and thereunder and this Agreement, the Debenture Indenture and the Warrant Indenture have each been duly authorized, executed and delivered by the Corporation, and each constitutes a legal, valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with the terms thereof, subject to customary limitations on enforceability;
- (vi) the execution and delivery of this Agreement, the Debenture Indenture and the Warrant Indenture and the performance of the Corporation's obligations hereunder and thereunder do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with: (A) any of the terms, conditions or provisions of the articles or by-laws of the Corporation, or any resolution of any of the directors (or committees of directors) or shareholders; (B) any Laws having force in the Province of British Columbia or the federal laws of Canada applicable therein; (C) of which counsel is aware, any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound; (D) of which counsel is aware, any judgment, decree or order, of any court, governmental agency or body or regulatory authority having jurisdiction over or binding the Corporation or its properties or assets;
- (vii) that the TSXV has conditionally approved the issuance and listing of the Debentures, the Warrants, the Debenture Shares and the Warrant Shares being issued and sold or that are issuable pursuant to the Offering (including pursuant to the Compensation Units), subject to the satisfaction of the conditions set forth in the conditional approval letter of the TSXV;
- (viii) that all necessary corporate action has been taken by the Corporation to authorize the issuance of the Common Shares, the Debentures and the Warrants;
- (ix) that the Debentures and Warrants have been validly created and issued by the Corporation;
- (x) the Debenture Shares issuable upon conversion or redemption of the Debentures, will, upon issuance in accordance with the terms of the Debenture Indenture and the constating documents of the Corporation, be issued as fully paid and non-assessable Common Shares;

- (xi) that the Warrant Shares issuable upon the exercise of the Warrants have been authorized and allotted for issuance and, upon the due exercise of the Warrants in accordance with the terms thereof, will be validly issued as fully paid and non-assessable Common Shares;
- (xii) the form and terms of the definitive certificates representing the Debentures, the Warrants and the Common Shares issuable pursuant to the Debentures and Warrants have been duly approved and adopted by the board of directors of the Corporation and comply with all legal requirements (including all applicable requirements of the TSXV) relating thereto;
- (xiii) that all necessary documents have been filed, all requisite proceedings have been taken and all approvals, permits and consents of the appropriate regulatory authority in each of the Qualifying Jurisdictions have been obtained by the Corporation to qualify the distribution to the public of the Units in each of the Qualifying Jurisdictions through persons who are registered under applicable Canadian Securities Laws and who have complied with the relevant provisions of applicable Canadian Securities Laws;
- (xiv) that all necessary documents have been filed, all requisite proceedings have been taken and all approvals, permits and consents of the appropriate regulatory authority in each of the Qualifying Jurisdictions have been obtained by the Corporation to qualify the distribution to the Underwriters of the Compensation Units in each of the applicable Qualifying Jurisdictions;
- (xv) no filing, proceeding, approval, consent or authorization is required to be made, taken or obtained by the Corporation under Applicable Securities Laws to permit the issuance by the Corporation of the Common Shares issuable pursuant to the Debentures or Warrants, provided that no commission or other remuneration is paid or given in respect of the distribution except for administrative or professional services or for services performed by a registered dealer;
- (xvi) the first trade in the Common Shares acquired upon conversion, redemption or exchange of the Debentures or upon exercise of the Warrants will not be subject to the prospectus requirements of Canadian Securities Laws and no filing, proceeding, approval, consent or authorization under Canadian Securities Laws will be required to permit the trading of such Common Shares in the Qualifying Provinces, provided that: (A) the trade is not a "control distribution" (as defined in National Instrument 45-102 – Resale of Securities); and (B) the Corporation is a reporting issuer at the time of such trade in the jurisdiction where such trade occurs;
- (xvii) that the statements set forth in the Prospectus under the caption "Eligibility for Investment" and "Certain Canadian Federal Income Tax Considerations" in the Prospectus are accurate, subject to the limitations and qualifications set out therein;
- (xviii) that the attributes of the Units, Debentures, Warrants and Common Shares are consistent in all material respects with the description thereof in the Prospectus;

- (xix) that the Transfer Agent, at its principal office in the City of Vancouver, has been duly appointed the transfer agent and registrar for the Common Shares (including the Common Shares issuable on conversion, redemption or exchange of the Debentures and exercise of the Warrants);
  - (xx) that Computershare has been duly appointed the transfer agent and registrar for the Debentures and Warrants, has been duly appointed as the trustee under the Debenture Indenture and as warrant agent under the Warrant Indenture;
- (e) if any Units are sold in the United States or to U.S. Persons, the Underwriters receiving, at the Closing Time and the Over-Allotment Closing Time, as applicable, on the Closing Date or the Over-Allotment Closing Date, as applicable, a legal opinion dated such date, to be addressed to the Underwriters, in form and substance acceptable to the Underwriters, of Troutman Sanders LLP, as United States legal counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, public and exchange officials or of the auditors or transfer agents of the Corporation), to the effect that the offer and sale of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons is not required to be registered under the U.S. Securities Act, provided such offers and sales are made in accordance with Schedule "A" hereto; it being understood that such counsel need not express its opinion with respect to any resale of the Units;
- (f) the Underwriters receiving, at the Closing Time and the Over-Allotment Closing Time, as applicable, a legal opinion dated the Closing Date, addressed to the Underwriters, in form and substance acceptable to the Underwriters, from counsel to each Canadian Subsidiary with respect to the following matters: (i) the incorporation and subsistence of the Canadian Subsidiary; (ii) the corporate power, capacity and authority of the Canadian Subsidiary to carry on its business as presently carried on and to own, lease and operate its properties and assets; (iii) the authorized and issued capital of the Canadian Subsidiary; and (iv) the ownership of the issued and outstanding securities of the Canadian Subsidiary;
- (g) the Underwriters receiving at the Closing Time and the Over-Allotment Closing Time, as applicable, a certificate, dated as of the or Over-Allotment Closing Date, as applicable, signed by the corporate secretary of the Corporation (or such other officer as the Underwriters may agree to), in a form satisfactory to the Lead Underwriter, acting reasonably, certifying for and on behalf of the Corporation and without personal liability, with respect to:
- (i) the constating documents and articles of the Corporation;
  - (ii) the resolutions of the board of directors of the Corporation relevant to the issue and sale of the Units and the authorization of the other agreements and transactions contemplated herein; and
  - (iii) the incumbency and signatures of signing officers of the Corporation;
- (h) the Debentures and the Warrants issuable pursuant to the Offering (including, for greater certainty, the Debenture Shares and Warrant Shares) are listed and posted for trading on the TSXV, subject only to the standard listing conditions of the TSXV;

- (i) the Underwriters shall have received a certificate of status (or the equivalent) with respect to the jurisdiction in which the Corporation and each Subsidiary is incorporated, amalgamated or continued, as the case may be;
- (j) the Underwriters shall have received certificates and/or evidence of the electronic deposit of the Units and Over-Allotment Units, if applicable, in form and substance satisfactory to the Underwriters, acting reasonably;
- (k) the Underwriters shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at the end of Business Day prior to the Closing Date;
- (l) all consents, approval, permits, authorizations or filings as may be required under Canadian Securities Laws necessary for the Offering and the transactions contemplated by this Agreement, shall have been obtained or made, as applicable;
- (m) the representations and warranties of the Corporation contained herein being true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby;
- (n) the Corporation having complied with all covenants contained herein and satisfied all terms and conditions contained herein to be complied with and satisfied by it at or prior to the Closing Time;
- (o) the Underwriters receiving at the Closing Time on the Closing Date comfort letters dated the Closing Date from the auditors of the Corporation, in form and substance satisfactory to the Underwriters, bringing forward to a date not more than two Business Days prior to the Closing Date or Over-Allotment Closing Date, as applicable, the information contained in the comfort letter referred to in Section 9.1(a) hereof;
- (p) the Underwriters not having previously terminated their obligations pursuant to Article 12 of this Agreement; and
- (q) the Corporation being a "reporting issuer" in good standing in each of the provinces of Canada other than Québec.

## ARTICLE 6 REPRESENTATIONS AS TO OFFERING DOCUMENTS

**6.1** Filing and delivery to the Underwriters in accordance with this Agreement of any Offering Document shall constitute a representation and warranty by the Corporation to the Underwriters that, as at their respective dates, dates of filing and dates of delivery:

- (a) the information and statements (except information and statements relating solely to the Underwriters, which have been provided by the Underwriters to the Corporation in writing specifically for use in any of the Offering Documents (collectively, "**Underwriters' Information**")) contained in such Offering Documents are true and correct and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Units as required by applicable Canadian Securities Laws;

- (b) no material fact or information has been omitted from such disclosure (except for Underwriters' Information) that is required to be stated in such disclosure or that is necessary to make a statement contained in such disclosure not misleading in the light of the circumstances under which it was made;
- (c) the information and statements (except for Underwriters' Information) contained in the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum, as applicable, including, without limitation, the documents incorporated or deemed to be incorporated by reference therein, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the information presented and the statements made, in the light of the circumstances under which they were presented or made, not misleading, within the meaning of the U.S. Securities Laws; and
- (d) except with respect to any Underwriters' Information, such documents comply in all material respects with the requirements of Canadian Securities Laws and the applicable U.S. Securities Laws.

Such filings shall also constitute the Corporation's consent to the Underwriters' use of the Preliminary Prospectus, the Prospectus and any Supplementary Material in connection with the distribution of the Units in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws and the use of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum for offers and sales of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons pursuant to Rule 144A.

## **ARTICLE 7**

### **ADDITIONAL REPRESENTATIONS AND WARRANTIES OF THE CORPORATION**

- 7.1** The Corporation hereby represents and warrants to the Underwriters and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Units that:
- (a) each of the Corporation, and its Subsidiaries is a corporation duly incorporated, continued or amalgamated and validly existing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be, and has all requisite corporate power and authority and is duly qualified and holds all necessary material Permits necessary or required to carry on its business as now conducted to own, lease or operate its properties and assets and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;
  - (b) other than the Subsidiaries, upon closing of the Offering, the Corporation has no direct or indirect subsidiary nor any investment or any proposed investment in any person which in either case is or could be material to the business and affairs of the Corporation or which otherwise is required to be disclosed in the Prospectus;
  - (c) the Corporation has all requisite corporate power, authority and capacity to enter into each of this Agreement, the Debenture Indenture and the Warrant Indenture and to perform the transactions contemplated herein and therein, including, without limitation, to issue the Units, the Debentures, the Warrants, the Debenture Shares and the Warrant Shares;
  - (d) neither the Corporation nor any of the Subsidiaries is (i) in violation of its constating documents, or (ii) in default of the performance or observance of any obligation,

agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound, except in the case of clause (ii) for any such violations or defaults that would not result in a Material Adverse Effect;

- (e) to the knowledge of the Corporation, no counterparty to any material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which the Corporation or any Subsidiary is a party is in default in the performance or observance thereof, except where such violation or default in performance would not have a Material Adverse Effect;
- (f) the Corporation (either directly or indirectly through a Subsidiary) owns all of the issued and outstanding securities of each Subsidiary, free and clear of all encumbrances, claims or demands whatsoever and no person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from any person (other than the Corporation) of any interest in any of the shares in the capital of any Subsidiary. All of the issued and outstanding shares of the Subsidiaries are outstanding as fully paid and non-assessable shares;
- (g) except as disclosed in the Offering Documents, each of the Corporation and the Subsidiaries has conducted and is conducting its business in compliance with all applicable Laws and regulations of each jurisdiction in which it carries on business, except where the failure to so comply would not have a Material Adverse Effect. The Corporation and each of the Subsidiaries holds all material requisite Permits necessary or appropriate for carrying on its business as currently carried on and all such Permits are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing, neither the Corporation nor any Subsidiary has received written notice of non-compliance, nor does it have knowledge of, nor have reasonable grounds for knowledge of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or Permits which would have a Material Adverse Effect;
- (h) the Corporation is in compliance in all material respects with all of the rules, policies and requirements of the TSXV;
- (i) other than the Leased Premises and except as disclosed in the Offering Documents, each of the Corporation and the Subsidiaries is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material properties and assets thereof as described in the Offering Documents, and no other property or assets are necessary for the conduct of the business of the Corporation and the Subsidiaries as currently conducted. Any and all of the agreements and other documents and instruments pursuant to which each of the Corporation and Subsidiaries holds the material property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property (as defined below)) are valid and subsisting agreements, documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and such material properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, and all material leases, licenses and other agreements pursuant to which the Corporation or any Subsidiary derives the interests thereof in such property are in good standing. The Corporation has no knowledge of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation or any Subsidiary to use, transfer or otherwise exploit their

respective assets, none of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation or any Subsidiary is subject to any right of first refusal or purchase or acquisition right, and neither the Corporation nor any Subsidiary has a responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;

- (j) with respect to each of the Leased Premises, the Corporation and the Subsidiaries, as applicable, occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation or a Subsidiary occupies the Leased Premises is in good standing and in full force and effect, except where failure to be so would not reasonably be expected to result in a Material Adverse Effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such leases or result in any additional or more onerous obligations under such leases. The Corporation has provided the Lead Underwriter with true and complete copies of all leases in respect of the Leased Premises;
- (k) neither the Corporation nor any of the Subsidiaries owns any real property, other than the Owned Real Property;
- (l) no legal or governmental proceedings or inquiries are pending to which the Corporation or any Subsidiary is a party or to which the property thereof is subject that would result in the revocation or modification of any certificate, authority, permit or license necessary to conduct the business now owned or operated by the Corporation or any Subsidiary which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the knowledge of the Corporation, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to the Corporation or any Subsidiary or with respect to the properties or assets thereof;
- (m) there are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding, pending or, to the best of the Corporation's knowledge, threatened against or affecting the Corporation or any Subsidiary, or the directors, officers or employees thereof, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of the Corporation's knowledge, there is no basis therefore and neither the Corporation nor any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any governmental authority, which, either separately or in the aggregate, may have a Material Adverse Effect or that would materially adversely affect the ability of the Corporation to perform its obligations under this Agreement, the Debenture Indenture and the Warrant Indenture;
- (n) at the Closing Time or Over-Allotment Closing Time, as applicable, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Corporation under Canadian Securities Laws and U.S. Securities Laws necessary for the execution and delivery of this Agreement, the Debenture Indenture and the Warrant Indenture and the creation, issuance and sale, as applicable, of the Units and the consummation of the transactions contemplated hereby and thereby will have been made or obtained, as applicable, (other than the filing of reports required under applicable Canadian Securities Laws and U.S. Securities Laws within the prescribed time periods,

which documents shall be filed as soon as practicable after the Closing Date and, in any event, within such deadline imposed by applicable Canadian Securities Laws and U.S. Securities Laws);

- (o) the authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, of which 89,177,458 Common Shares and nil Preferred Shares are currently issued and outstanding. All of the issued and outstanding shares of the Corporation have been duly and validly authorized and issued as fully paid and non-assessable, and none of the outstanding shares of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation;
- (p) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or other acquisition of any unissued securities of the Corporation except (i) up to 8,050,000 Common Shares issuable pursuant to options granted by the Corporation pursuant to its stock option plan; and (ii) up to 16,667,000 Common Shares issuable pursuant to the February Warrants;
- (q) at the Closing Time, all necessary corporate action will have been taken by the Corporation to allot and authorize the issuance of the Debentures and the Warrants and, upon the conversion, redemption or exchange of the Debentures and due exercise of the Warrants, in accordance with their respective provisions thereof, the Underlying Securities will be validly issued as fully paid and non-assessable shares in the capital of the Corporation, and all such securities shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement;
- (r) there are no contracts or agreements between either the Corporation or a Subsidiary and any person granting such person the right to require the Corporation or any Subsidiary to file a registration statement under U.S. Securities Laws or, except as contemplated by this Agreement, a prospectus under Canadian Securities Laws, with respect to any securities of the Corporation or any Subsidiary owned or to be owned by such person that require the Corporation or a Subsidiary to include such securities in the securities qualified for distribution under the Offering Documents;
- (s) there are no voting trusts or agreements, shareholders' agreements, buy sell agreements, rights of first refusal agreements, agreements relating to restrictions on transfer, pre-emptive rights agreements, tag-along agreements, drag-along agreements or proxies relating to any of the securities of the Corporation or the Subsidiaries, to which the Corporation or any of the Subsidiaries is a party;
- (t) the Common Shares to be issued as described in this Agreement and in the Offering Documents (including, for greater certainty, the Debenture Shares and the Warrant Shares) have been, or prior to the Closing Time will be, duly created and reserved for issuance and, when issued, delivered and paid for in full, will be validly issued and fully paid shares in the capital of the Corporation, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;

- (u) the Transfer Agent, at its principal office in Vancouver, British Columbia, has been duly appointed registrar and transfer agent of the Common Shares;
- (v) Computershare, will, on the Closing Date, be the duly appointed registrar of the Debentures and Warrants and the duly appointed trustee of the Debenture Indenture and warrant agent under the Warrant Indenture;
- (w) this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally, general principles of equity, and the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution, waiver and the ability to sever unenforceable terms may be limited under applicable Laws;
- (x) at the Closing Time, each of this Agreement, the Debenture Indenture and the Warrant Indenture shall have been duly authorized and executed and delivered by the Corporation and upon such execution and delivery each shall constitute a valid and binding obligation of the Corporation and each shall be enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally, general principles of equity, and the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution, waiver and the ability to sever unenforceable terms may be limited under applicable Laws;
- (y) no authorization, approval, consent, licence, permit, order or filing of, or with, any Government Authority or court, domestic or foreign, (other than those which have already been obtained or will be obtained prior to the Closing Date and except for post-closing filings to be made with the TSXV and post-closing distribution reports to be filed and other post-closing filings to be made with certain securities regulatory authorities) is required for the valid sale and delivery of the Units or for the execution and delivery or performance this Agreement by the Corporation;
- (z) each of the execution and delivery of this Agreement, the Debenture Indenture and the Warrant Indenture, the performance by the Corporation of its obligations hereunder and thereunder, the sale of the Units hereunder by the Corporation and the consummation of the transactions contemplated in this Agreement: (i) do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) any statute, rule, Law or regulation applicable to the Corporation; (B) the constating documents, by-laws or resolutions of the Corporation which are in effect at the date hereof; (C) any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which the Corporation or any Subsidiary is a party or by which it is bound except as would not constitute a Material Adverse Effect; or (D) any judgment, decree or order binding the Corporation or the property or assets of the Corporation or any Subsidiaries; and (ii) do not affect the rights, duties and obligations of any parties to any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or any of the Subsidiaries is a party or by which it is bound, nor give a party the right to terminate any mortgage, note, indenture, contract,

agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or any of the Subsidiaries is a party or by which it is bound, by virtue of the application of terms, provisions or conditions therein except as would not constitute a Material Adverse Effect;

- (aa) the Financial Statements have been prepared in accordance with IFRS, contain no misrepresentations and present fairly, in all material respects, the financial condition of the Corporation on a consolidated basis as at the date thereof and the results of the operations and cash flows of the Corporation on a consolidated basis for the period then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation on a consolidated basis that are required to be disclosed in such financial statements and there has been no material change in accounting policies or practices of the Corporation since June 30, 2017;
- (bb) there are no material liabilities of the Corporation or any Subsidiary whether direct, indirect, absolute, contingent or otherwise required to be disclosed in the Financial Statements which are not disclosed or reflected in the Financial Statements except those disclosed in the Offering Documents;
- (cc) the Due Diligence Responses will be true and correct where they relate to matters of fact, and in all material respects as at the time such responses are given and such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Corporation and its directors and officers will have responded in a thorough and complete fashion. Where the Due Diligence Responses reflect the opinion or view of the Corporation or its directors or officers (including, Due Diligence Responses or portions of such Due Diligence Responses, which are forward looking or otherwise related to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward Looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Responses and will be honestly held and believed to be reasonable at the time they are given provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-Looking Statements;
- (dd) the financial information included in the Offering Documents presents fairly in all material respects the consolidated financial position, results of operations, deficit and cash flow of the Corporation, respectively, as at the dates and for the periods indicated;
- (ee) the Corporation's auditors are independent public accountants as required under applicable Canadian Securities Laws and there has never been a reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations*) between the Corporation and such auditors or any former auditors of the Corporation;
- (ff) the responsibilities of the Corporation's audit committee comply with National Instrument 52-110 - *Audit Committees*;
- (gg) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that: (A) transactions are executed in accordance with management's general or specific authorization, and (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets;

- (hh) except as disclosed in the Offering Documents, none of the directors, officers or employees of the Corporation or any Subsidiary, any person who owns, directly or indirectly, more than 10% of any class of securities of the Corporation or securities of any person exchangeable for more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any transaction (other than in connection with the Offering) or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation or any Subsidiary;
- (ii) the Corporation is not party to any agreement, nor does the Corporation have knowledge of any agreement which in any manner affects the voting control of any of the securities of the Corporation or any Subsidiary, or which will affect voting control of the Corporation upon completion of the Offering;
- (jj) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by each of the Corporation and each Subsidiary have been paid or accrued, except where the failure to pay such Taxes would not constitute an adverse material fact in respect of the Corporation or the Subsidiaries or have a Material Adverse Effect. All tax returns (other than certain tax returns disclosed to the Underwriters in writing), declarations, remittances and filings required to be filed by the Corporation have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading, except where the failure to file such documents would not constitute an adverse material fact in respect of the Corporation or any Subsidiary or have a Material Adverse Effect. To the knowledge of the Corporation, no examination of any tax return of the Corporation or any Subsidiary is currently in progress to the knowledge of the Corporation and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Corporation or any Subsidiary in any case, except where such examinations, issues or disputes would not constitute an adverse material fact in respect of the Corporation or have a Material Adverse Effect;
- (kk) neither the Corporation nor any Subsidiary is a party to, bound by or, to the knowledge of the Corporation, affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of the Corporation or a Subsidiary to compete in any line of business, transfer or move any of its respective assets or operations or which adversely materially affects the business practices, operations or condition of the Corporation or a Subsidiary;
- (ll) none of the Corporation nor a Subsidiary has ever been in violation of, in connection with the ownership, use, maintenance or operation of the property and assets thereof, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, or Permits having the force of law, domestic or foreign, relating to environmental, health or safety matters which could reasonably be expected to have a Material Adverse Effect;

- (mm) none of the Corporation nor any Subsidiary: (A) is a direct or indirect owner of, or has made an investment in, Subject Entities; (B) has commercial interests or arrangements with Subject Entities that are similar in substance to ownership of, or investment in, Subject Entities; (C) provides services or products that are specifically designed for, or targeted at, Subject Entities; or (D) has commercial interests or arrangements with entities engaging in the business activities described in (C);
- (nn) to the knowledge of the Corporation, the statistical, industry and market related data included in the Offering Documents are derived from sources which the Corporation reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;
- (oo) since the respective dates as of which information is given in the Offering Documents, except as otherwise stated therein or contemplated thereby, there has not been:
  - (i) any material change in the condition (financial or otherwise), or in the earnings, business, affairs, capital, prospects, operations or management of the Corporation or any of the Subsidiaries, whether or not arising in the ordinary course of business from that set forth therein;
  - (ii) any transaction entered into by the Corporation or any of the Subsidiaries; or
  - (iii) any dividend or distribution of any kind declared, paid or made by the Corporation or any of the Subsidiaries on shares in the capital of the Corporation or a Subsidiary, as applicable;
- (pp) no material work stoppage, strike, lock-out, labour disruption, dispute grievance, arbitration, proceeding or other conflict with the employees of the Corporation or any Subsidiary currently exists or, to the Corporation's knowledge, is imminent or pending and each of the Corporation and each Subsidiary is in material compliance with all provisions of all federal, national, regional, provincial and local laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours;
- (qq) there are no material complaints against the Corporation or any Subsidiary before any employment standards branch or tribunal or human rights tribunal, nor any complaints or any occurrence which would reasonably be expected to lead to a complaint under any human rights legislation or employment standards legislation that would be material to the Corporation or any Subsidiary. There are no outstanding decisions or settlements or pending settlements under applicable employment standards legislation which place any material obligation upon the Corporation or any Subsidiary to do or refrain from doing any act. The Corporation and each Subsidiary are currently in material compliance with all workers' compensation, occupational health and safety and similar legislation, including payment in full of all amounts owing thereunder, and there are no pending claims or outstanding orders of a material nature against either of them under applicable workers' compensation legislation, occupational health and safety or similar legislation nor has any event occurred which may give rise to any such material claim;
- (rr) neither the Corporation nor any Subsidiary is party to any collective bargaining agreements with unionized employees. To the Corporation's knowledge, no action has been taken or is being contemplated to organize or unionize any employees of the

Corporation or any Subsidiary that would have a Material Adverse Effect on the Corporation or any Subsidiary;

- (ss) the Lead Underwriter has been provided with a true and complete copy of each material plan for stock options, performance warrants, restricted share units or other incentive securities of the Corporation and/or any Subsidiary for the benefit of any current or former director, officer, employee or consultant of the Corporation and/or any Subsidiary (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans;
- (tt) the Corporation and each Subsidiary is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a Material Adverse Effect;
- (uu) neither the Corporation nor any of its Subsidiaries has made any material loans to or guaranteed the obligations of any person or which are required to be disclosed in the Prospectus;
- (vv) all of the material contracts and agreements of the Corporation have been disclosed in the Offering Documents and, if required under the Canadian Securities Laws, have or will be filed with the Securities Commissions. Neither the Corporation nor any of its Subsidiaries has received any notification from any party that it intends to terminate any such material contract;
- (ww) each of the Material Agreements and other documents and instruments pursuant to which the Corporation holds its property and assets and conducts its business is a valid and subsisting agreement, document and instrument in full force and effect, enforceable in accordance with the terms thereof, the Corporation is not in default of any of the material provisions of any such agreements, instruments or documents nor has any such default been alleged, and such property and assets are in good standing under the applicable statutes and regulations of the governing jurisdiction;
- (xx) other than in respect of certain resolutions or proceedings of the shareholders and directors of the Corporation between the period of August 23, 2012 to February 21, 2017, the minute books and corporate records of the Corporation and the Subsidiaries for the period from incorporation to the date hereof made available to the Lead Underwriter, on behalf of the Underwriters, contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders and the directors (or any committee thereof) thereof and there have been no other meetings, resolutions or proceedings of the shareholders or directors of the Corporation or such Subsidiaries to the date hereof not reflected in such corporate records, other than those which are not material to the Corporation or the Subsidiaries, as the case may be;
- (yy) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;

- (zz) there are no material facts relating to the Corporation or any Subsidiary required to be disclosed pursuant to applicable Canadian Securities Laws or U.S. Securities Laws which are not referenced in the Offering Documents;
- (aaa) information available on the Corporation's profile at [www.sedar.com](http://www.sedar.com) was accurate and complete in all material respects on the date of filing such information and such information does not contain a misrepresentation;
- (bbb) all information (including the Offering Documents) which has been prepared by the Corporation relating to the Corporation and the Subsidiaries and their respective businesses, properties and liabilities and either publicly disclosed or provided to the Underwriters, including all financial, marketing and operational information provided to the Underwriters, are as of the date of such information, true and correct in all material respects, do not contain a misrepresentation and no material fact or facts have been omitted therefrom that would make such information materially misleading and the Corporation is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part XXIII.1 - *Civil Liability for Secondary Market Disclosure of the Securities Act* (Ontario) and analogous secondary market liability disclosure provisions under applicable Canadian Securities Laws in the Qualifying Jurisdictions;
- (ccc) With respect to forward-looking information contained in the Offering Documents:
  - (i) the Corporation had a reasonable basis for the forward-looking information at the time the disclosure was made;
  - (ii) all forward-looking information is identified as such, and all such documents caution users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information; and states the material factors or assumptions used to develop forward-looking information;
  - (iii) all future-oriented financial information and each financial outlook: (A) has been prepared in accordance with IFRS, using the accounting policies the Corporation expects to use to prepare its historical financial statements for the period covered by the future-oriented financial information or the financial outlook; (B) presents fully, fairly and correctly in all material respects the expected results of the operations for the periods covered thereby; (C) is based on assumptions that are reasonable in the circumstances, reflect the Corporation's intended course of action, and reflect management's expectations concerning the most probable set of economic conditions during the periods covered thereby; and
  - (iv) is limited to a period for which the information in the future-oriented financial information or financial outlook can be reasonably estimated;
- (ddd) all filings and fees required to be made and paid by the Corporation pursuant to applicable Laws and general corporate and Canadian Securities Laws in the Qualifying Jurisdictions have been made and paid and such disclosure and filings were true and accurate in all material respects as at the respective dates thereof and the Corporation has

not filed any confidential material change reports or similar confidential report with any Securities Commissions that are still maintained on a confidential basis;

- (eee) the Corporation is currently a "reporting issuer" in good standing in each of the provinces of Canada other than Québec and is in compliance, in all material respects, with all of its obligations as a reporting issuer and since incorporation has not been the subject of any investigation by any stock exchange or any Securities Commission, is current with all filings required to be made by it under Canadian Securities Laws and applicable U.S. Securities Laws and other applicable laws, is not aware of any material deficiencies in the filing of any documents or reports with any Securities Commissions and there is no material change relating to the Corporation which has occurred and with respect to which the requisite news release or material change report has not been filed with the Securities Commissions;
- (fff) the Corporation is an eligible short-form issuer in each of the Qualifying Jurisdictions and is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus in each of the Qualifying Jurisdictions and on the date of and upon filing of the Prospectus there will be no documents required to be filed under Canadian Securities Laws in connection with the distribution of the Units that will not have been filed as required;
- (ggg) the Corporation consents to the use by the Underwriters of the Offering Documents in connection with the distribution of the Units in the Qualifying Jurisdictions in compliance with the provisions of this Agreement;
- (hhh) the Corporation and each of the Subsidiaries owns or has all proprietary rights provided in law and at equity to all patents, trademarks, service marks, logos, slogans, whether in word mark or, stylized or design format, copyrights, industrial designs, software, trade secrets, industrial designs, invention, technical data and information, know how, concepts, information and other intellectual and industrial property, whether registered or unregistered, and all rights and claims related thereto (collectively, "**Intellectual Property**") necessary to permit the Corporation and the Subsidiaries to conduct their respective business as currently conducted. Neither the Corporation nor any Subsidiary has received any notice nor is the Corporation aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of the Corporation or a Subsidiary therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy would have a Material Adverse Effect;
- (iii) the Corporation and each Subsidiary has taken all reasonable steps to protect its Intellectual Property in those jurisdictions where, in the reasonable opinion of the Corporation and/or each Subsidiary carries on a sufficient business to justify such filings;
- (jjj) there are no material restrictions on the ability of the Corporation and the Subsidiaries to use and explore all rights in the Intellectual Property required in the ordinary course of the business of the Corporation and each Subsidiary, as applicable. None of the rights of the Corporation or of any Subsidiary in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;

- (kkk) neither the Corporation nor any Subsidiary has received any notice or claim (whether written, oral or otherwise) challenging its ownership or right to use of any Intellectual Property or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto, nor to the knowledge of the Corporation, is there a reasonable basis for any claim that any person other than the Corporation or a Subsidiary has any claim of legal or beneficial ownership or other claim or interest in any Intellectual Property;
- (lll) all registrations of Intellectual Property are in good standing and are recorded in the name of the Corporation or a Subsidiary in the appropriate offices to preserve the rights thereto. Other than as would not have a Material Adverse Effect, all such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. No registration of Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, except where such expiration, abandonment cancellation, expungement or lapse would not have a Material Adverse Effect;
- (mmm) any and all of the Material Agreements and other material documents and instruments pursuant to which any of the Corporation and/or a Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof, none of the Corporation nor any Subsidiary is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all material leases, licences and other agreements pursuant to which the Corporation or a Subsidiary derives the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or agreement.
- (nnn) the Corporation is not aware of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Corporation presently in force or, to its knowledge, proposed to be brought into force, or any pending or contemplated change to any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Corporation or any Subsidiary presently in force, that the Corporation anticipates the Corporation or any one of its Subsidiaries will be unable to comply with or which could reasonably be expected to materially adversely affect the business of the Corporation or a Subsidiary or the business environment or legal environment under which such entity operates;
- (ooo) the Corporation and each Subsidiary maintains insurance by insurers of recognized financial responsibility, against such losses, risks and damages to their assets (including biological assets) in such amounts as are customary for the business in which they are engaged and on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage, fidelity or surety bonds insuring the Corporation and the Subsidiaries, and their respective directors, officers and employees, and the Corporation's and the Subsidiaries' assets, are in good standing and in full force and effect in all respects, and not in default. Each of the Corporation and each Subsidiary is in compliance with the terms of such policies and

instruments in all material respects and there are no material claims by the Corporation or any Subsidiary under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Corporation has no reason to believe that it will not be able to renew such existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect, and neither the Corporation nor any Subsidiary has failed to promptly give any notice of any material claim thereunder;

- (ppp) none of the Corporation or any Subsidiary, or, to the knowledge of the Corporation, any employee or agent thereof, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable Laws;
- (qqq) all information which has been prepared by the Corporation or any Subsidiary relating to the Corporation or any Subsidiary or their respective business, properties and liabilities and made available to the Lead Underwriter, on behalf of the Underwriters, was, as of the date of such information and is as of the date hereof, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (rrr) the statements set forth in the Prospectus under the headings "*Eligibility for Investment*" and "*Certain Canadian Federal Income Tax Considerations*" are accurate, subject to the limitations and qualifications set out therein;
- (sss) the Corporation has provided the Lead Underwriter with copies of all material documents and correspondence relating to the licence issued pursuant to the Access to Cannabis for Medical Purposes Regulations (the "**ACMPR Licence**") to the Corporation and any Subsidiary. The Corporation and its Subsidiaries are in compliance with the terms and conditions of all such ACMPR Licence and all other licences required in connection with their respective businesses and the Corporation does not anticipate any variations or difficulties in renewing such ACMPR Licence or any other required licence or permit. The Offering (including the proposed use of proceeds of the Offering) will not have any adverse impact on the ACMPR Licence or require the Corporation or any Subsidiary to obtain any new licence under the Access to Cannabis for Medical Purposes Regulations;
- (ttt) neither the Corporation nor any Subsidiary is required to obtain any Permits, other than the ACMPR Licence pursuant to the *Access to Cannabis for Medical Purposes Regulations* (Canada) and the Certificates of Free Sale, from Health Canada or any similar Governmental Authority or self-regulatory body in connection with the current conduct of its business;
- (uuu) neither the Corporation nor any Subsidiary has received any notice or communication from any customer or Governmental Authority alleging a defect or claim in respect of any products supplied or sold by the Corporation or any Subsidiary to a customer and, to the Corporation's knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications that are

required to be made by the Corporation or any Subsidiary in respect of any products supplied or sold by the Corporation or any Subsidiary;

- (vvv) all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation and each Subsidiary in connection with their business is being conducted in accordance with best industry practices and in compliance, in all material respects, with all applicable Laws, including, but not limited to, industry, laboratory safety, management and training standards applicable to the Corporation's current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects;
- (www) each of the Corporation and each Subsidiary has security measures and safeguards in place to protect personal information it collects from registered patients and customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties and such security measures and safeguards are in compliance with all applicable Laws. The Corporation and the Subsidiaries have complied, in all material respects, with all applicable Laws, including, but not limited to, all privacy and consumer protection legislation and none has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation and the Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse;
- (xxx) other than the Underwriters, there is no person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement; and
- (yyy) the operations of the Corporation and each Subsidiary have been conducted at all times in compliance with the applicable federal and state laws relating to terrorism or money laundering ("**Anti-Terrorism Laws**"), including: the financial recordkeeping and reporting requirements of The Bank Secrecy Act of 1970, as amended; Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"); the *Corruption of Foreign Public Officials Act* (Canada), the *Foreign Corrupt Practices Act of 1977* (United States), as amended, the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Public Law 107-56, and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), and neither of the Corporation nor any Subsidiary is (i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person with which the Underwriters or any other persons are prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a person that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order; or (v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("**OFAC**") at its official website or any replacement website or other replacement official publication of such list or any other person (including any foreign country and any national of such country) with whom the

United States Treasury Department prohibits doing business in accordance with OFAC regulations. No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or any Subsidiary with respect to Anti-Terrorism Laws is pending or, to the knowledge of the Corporation or any Subsidiary, threatened. The Corporation and each Subsidiary, and their affiliates have conducted their businesses in compliance with the Anti-Terrorism Laws and will implement and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with the Anti-Terrorism Laws.

## ARTICLE 8 COVENANTS OF THE CORPORATION

**8.1** The Corporation covenants with the Underwriters that the Corporation will:

- (a) promptly provide to the Underwriters, during the period commencing on the date hereof and until completion of the distribution of the Units, copies of any filings made by the Corporation or the Subsidiaries of information relating to the Offering with any securities exchange or any regulatory body in Canada or the United States or any other jurisdiction;
- (b) promptly provide to the Underwriters and their counsel, during the period commencing on the date hereof and until completion of the distribution of the Units, drafts of any press releases and other public documents of the Corporation relating to the Corporation, the Subsidiaries or the Offering for review by the Underwriters and their counsel prior to issuance, and give the Underwriters and their counsel a reasonable opportunity to provide comments on any such press release or other public document, subject to the Corporation's timely disclosure obligations under applicable Canadian Securities Laws;
- (c) promptly inform the Underwriters in writing during the period prior to the completion of the distribution of the Units of the full particulars of:
  - (i) any material change (whether actual, anticipated, contemplated or proposed by, or threatened), financial or otherwise, in the assets, liabilities (contingent or otherwise), business, affairs, prospects, operations, cash flow or capital of the Corporation and its subsidiaries, taken as a whole;
  - (ii) any material fact which has arisen or has been discovered which would have been required to have been stated in the Offering Documents had that fact arisen or been discovered on, or prior to, the date of any of the Offering Documents, as the case may be; or
  - (iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact or any new material fact) contained in any of the Offering Documents or whether any event or state of facts has occurred after the date of this Agreement, which, in any case, is of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents including as a result of any of the Offering Documents containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not false or misleading in the light of the circumstances in which it was

made, which would result in any Offering Document not complying with applicable Canadian Securities Laws or U.S. Securities Laws, as the case may be, or which would reasonably be expected to have an effect on the market price or value of the Debentures or Common Shares;

- (d) advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, during the period prior to the completion of the distribution of the Units, of: (i) the issuance by any Securities Commission, the SEC or similar regulatory authority of any order suspending or preventing the use of any Offering Document; (ii) the suspension of the qualification of the Units in any of the Qualifying Jurisdictions; (iii) the institution, threatening or contemplation of any proceeding for any such purposes; (iv) any requests made by any Securities Commission, the SEC or similar regulatory authority for amending or supplementing any of the Offering Documents or for additional information; or (v) the receipt by the Corporation of any material communication, whether written or oral, from any Securities Commission, the SEC or similar regulatory authority or any stock exchange, relating to the distribution of the Units, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;
- (e) comply with Section 6.5 and 6.6 of NI 41-101 and with the comparable provisions of the other relevant Canadian Securities Laws. The Corporation will promptly prepare and file with the Securities Commissions in the Qualifying Jurisdictions any Supplementary Material which in the opinion of the Underwriters and the Corporation, each acting reasonably, may be necessary or advisable, and will otherwise comply with all legal requirements necessary to continue to qualify the Units for distribution. If the Corporation and the Underwriters in good faith disagree as to whether a change, fact or event requires the filing of any Supplementary Material in compliance with Section 6.5 or Section 6.6 of NI 41-101, the Corporation will prepare and file promptly at the request of the Underwriters any Supplementary Material which, in the opinion of the Underwriters, acting reasonably, may be necessary or advisable. Upon receipt of any Supplementary Material the Underwriters shall, as soon as possible, send such Supplementary Material to purchasers of the Units;
- (f) deliver to the Underwriters prior to the filing of the Preliminary Prospectus and Prospectus, a copy thereof signed and certified as required by the applicable Canadian Securities Laws;
- (g) advise the Underwriters, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, the Prospectus, any Marketing Materials and any Supplementary Material has been filed and receipts therefor (if any) have been obtained pursuant to the Canadian Securities Laws and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipts;
- (h) deliver without charge to the Underwriters, as soon as practicable, and in any event no later than noon (EST) on the Business Day immediately following the date of issuance of the receipt in the case of the Prospectus, and thereafter from time to time during the distribution of the Units, in such cities as the Underwriters shall notify the Corporation twenty-four hours before the delivery date, as many commercial copies of the Prospectus as the Underwriters may reasonably request for the purposes contemplated by Canadian Securities Laws;

- (i) cause to be delivered to the Underwriters such number of commercial copies of the U.S. Placement Memorandum and any Supplementary Material required to be delivered to purchasers or prospective purchasers in the United States as the Underwriters may reasonably request. Each delivery of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum or any Supplementary Material shall constitute consent by the Corporation to the use by the Underwriters and other investment dealers and brokers of such documents in connection with the distribution of the Units contemplated hereunder, subject to the provisions of applicable Law and the provisions of this Agreement;
- (j) use the net proceeds of the Offering in the manner specified in the Prospectus;
- (k) file or cause to be filed with the TSXV all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals for the Debentures (including, for greater certainty, Debenture Shares) and the Warrants (including, for greater certainty, the Warrant Shares) to be listed on the TSXV;
- (l) prior to the Closing Date, make all necessary arrangements that are within the control of the Corporation for the electronic deposit of the Debentures and Warrants comprising the Units pursuant to the non-certificated issue system of CDS on the Closing Date. All fees and expenses payable to CDS, the Transfer Agent and/or Computershare in connection with the electronic deposit and the fees and expenses payable to CDS, the Transfer Agent and/or Computershare in connection with the initial or additional transfers as may be required in the course of the distribution of the Units shall be borne by the Corporation;
- (m) until the latter of: (i) the date upon which all Debentures have been converted, redeemed or matured; and (ii) the expiry date of the Warrants, use its commercially reasonable efforts to remain, and to ensure each Subsidiary remains, a corporation validly subsisting under the laws under which it is currently subsisting, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable Laws of each such jurisdiction, provided that the Corporation shall not be required to comply with the terms of this subsection 8.1(m) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Corporation ceases to be a "distributing corporation" (within the meaning of the Business Corporations Act);
- (n) other than in the event of an acquisition of all of the issued and outstanding Common Shares by way of take-over bid merger, amalgamation, plan of arrangement or similar transaction, until the latter of: (i) the date upon which all Debentures have been converted, redeemed or matured; and (ii) the expiry date of the Warrants, use commercially reasonable efforts to maintain its status as a "reporting issuer" under the Canadian Securities Laws of a jurisdiction of Canada, not in default of any requirement of such Canadian Securities Laws;
- (o) other than in the event of an acquisition of all of the issued and outstanding Common Shares by way of take-over bid merger, amalgamation, plan of arrangement or similar transaction, until the latter of: (i) the date upon which all Debentures have been converted, redeemed or matured; and (ii) the expiry date of the Warrants, use

commercially reasonable efforts to maintain the listing of the Common Shares and the Warrants on the TSXV or another recognized stock exchange or quotation system in Canada;

- (p) duly execute and deliver the Debenture Indenture and Warrant Indenture at the Closing Time, or Over-Allotment Closing Time, as applicable, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;
- (q) fulfil or cause to be fulfilled, at or prior to the Closing Time, or Over-Allotment Closing Time, as applicable, each of the conditions required to be fulfilled by it set out in Article 5 hereof;
- (r) ensure that at the Closing Time, or Over-Allotment Closing Time, as applicable, the Debentures and Warrants are duly and validly created, authorized and issued and shall have attributes corresponding in all material respects to the description set forth, respectively, in the Debenture Indenture and Warrant Indenture;
- (s) ensure that the Debenture Shares issuable upon conversion, redemption or exchange of the Debentures and the Warrant Shares issuable upon the exercise of the Warrants shall, upon issuance in accordance with terms thereof, be duly issued as fully paid and non-assessable Common Shares;
- (t) ensure that, at all times prior to the expiry date of the Warrants, a sufficient number of Warrant Shares are allotted and reserved for issuance upon the exercise of the Warrants;
- (u) ensure that, at all times prior to the Maturity Date, a sufficient number of Debenture Shares are allotted and reserved for issuance upon the conversion, redemption or exchange of the Debentures;
- (v) ensure that at the Closing Time, or Over-Allotment Closing Time, as applicable, the Compensation Units are duly and validly created, authorized and issued;
- (w) not to directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or any securities convertible into or exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 120 days after the Closing Date, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements, provided such options and other similar securities are granted or issued with an exercise price not less than the Offering Price; (ii) the exercise of outstanding warrants; or (iii) the issuance of securities by the Corporation in connection with arm's length acquisitions;
- (x) ensure that at the time of filing the Prospectus, the composition of the Corporation's audit committee be in compliance with National Instrument 52-110 - *Audit Committees*;

- (y) ensure that at the Closing Time, is a "reporting issuer" in good standing in each of the provinces of Canada other than Québec; and
- (z) promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, such further acts, documents and things for the purpose of giving effect to this Agreement and the transactions contemplated herein.

**ARTICLE 9  
ADDITIONAL DOCUMENTS UPON FILING OF THE PROSPECTUS**

**9.1** The Underwriters' obligations under this Agreement to purchase the Units are conditional upon, in addition to the conditions referred to elsewhere in this Agreement, the receipt by the Underwriters concurrently with the filing of the Prospectus, and any amendment thereto:

- (a) a comfort letter dated the date of the Prospectus or any amendment thereto, as applicable, from the auditors of the Corporation, addressed to the Underwriters and to the board of directors of the Corporation in form and substance satisfactory to the Lead Underwriter, acting reasonably, relating to the verification of the financial information and accounting data and other numerical data of a financial nature contained in the Prospectus or the amendment, as applicable, and matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus to a date not more than two Business Days prior to the date of such letter;
- (b) similar comfort letters and opinions shall be delivered to the Underwriters with respect to any Supplementary Material concurrently with the execution of such Supplementary Material; and
- (c) prior to the filing of the Prospectus, copies of correspondence indicating that the application for the listing and posting for trading on the TSXV of the Debentures and the Warrants issuable pursuant to the Offering (including, for greater certainty, the Debenture Shares and Warrant Shares) has been conditionally approved, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSXV.

**ARTICLE 10  
CLOSING**

**10.1** The purchase and sale of the Units shall be completed at the Closing Time at the offices of Bennett Jones LLP in Toronto, Ontario or at such other place as the Lead Underwriter (on behalf of the Underwriters) and the Corporation may agree. At the Closing Time, the Corporation shall cause Computershare to electronically deposit the Debentures and Warrants comprising the Units to CDS or its nominee on behalf of the Underwriters registered in the name of "CDS & Co." or in such other name or names as the Underwriters may notify the Corporation in writing not less than 24 hours prior to the Closing Time to be held by CDS as a non-certificated inventory in accordance with the rules and procedures of CDS, against payment by the Underwriters to the Corporation, at the direction of the Corporation, as applicable, of the aggregate purchase price for the Units less an amount equal to the Underwriting Fee and a reasonable estimate of the out-of-pocket fees and expenses of the Underwriters and their counsel payable pursuant to Article 15, by wire transfer, or if permitted by applicable Law, certified cheque or bank draft, in Canadian currency payable at par in Vancouver, British Columbia, together with a receipt signed by the Lead Underwriter (on behalf of the Underwriters) for such electronic deposit and for receipt of the Underwriting Fee and such estimated expenses. As soon as practicable following the Closing

Time, the Underwriters shall submit an invoice with respect to the actual reasonable out-of-pocket fees and expenses of the Underwriters and their counsel payable by the Corporation pursuant to Article 15. In the event that the actual reasonable out-of-pocket fees and expenses of the Underwriters and their counsel payable by the Corporation is less than the estimated amount thereof paid to the Underwriters on Closing, the Underwriters shall reimburse the Corporation for the amount of such difference. In the event that the actual reasonable out-of-pocket fees and expenses of the Underwriters and their counsel payable by the Corporation is greater than the estimated amount thereof paid to the Underwriters on Closing, subject to the limits in Article 15, the Corporation shall promptly pay the amount of such difference to the Underwriters.

## **ARTICLE 11 COMPENSATION UNITS**

- 11.1** As additional consideration for the Underwriters' services in assisting in the preparation and completion of the Offering contemplated by this Agreement and all other matters in connection with the issue and sale of the Units, the Corporation hereby agrees to issue to the Underwriters that number of Units (the "**Compensation Units**") as is equal to 3.0% of the aggregate number of Units sold pursuant to the Offering. The Compensation Units shall be issuable as follows:
- (a) at the Closing Time, 0.03 Compensation Units per Unit purchased (being an aggregate amount of 525 Compensation Units); and
  - (b) at any Additional Closing Time, 0.03 Compensation Units per Option Unit purchased (being an aggregate amount of 79 Compensation Units if the Over-Allotment Option is exercised in full).

## **ARTICLE 12 TERMINATION RIGHTS**

- 12.1** All terms and conditions set out herein shall be construed as conditions and any breach or failure by the Corporation to comply with any such conditions in favour of the Underwriters in any material respect shall entitle the Underwriters (or any of them) to terminate their obligations under this Agreement by written notice to that effect given to the Corporation prior to the Closing Time.
- 12.2** The Corporation shall use its commercially reasonable efforts to cause all conditions in this Agreement to be satisfied. It is understood that the Underwriters may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any subsequent breach or non-compliance, provided that to be binding on an Underwriter, any such waiver or extension must be in writing and signed by such Underwriter.
- 12.3** In addition to any other remedies which may be available to the Underwriters in respect of any default, act or failure to act or non-compliance with the terms of this Agreement by the Corporation, any Underwriter shall be entitled, at its option, to terminate and cancel, without any liability on such Underwriter's part, its obligations under this Agreement to purchase the Units, by giving written notice to the Corporation and the Lead Underwriter at any time at or prior to the Closing Time:
- (a) if any inquiry, action, suit, investigation or other proceeding (whether formal or informal), including matters of regulatory transgression or unlawful conduct, is commenced, announced or threatened or any order is made or issued under or pursuant to

any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including without limitation the TSXV or any securities regulatory authority) or there is any enactment or change in any law, rule or regulation, or the interpretation or administration thereof, which, in the reasonable opinion of the Underwriters (or any of them), could operate to prevent, restrict or otherwise seriously adversely affect the distribution or trading of the Underlying Securities or the market price or value of the Common Shares or any other securities of the Corporation;

- (b) if there should develop, occur or come into effect or existence any event, action, state, or condition or any action, law or regulation, inquiry, including, without limitation, terrorism, accident or major financial, political or economic occurrence of national or international consequence, or any action, government, law, regulation, inquiry or other occurrence of any nature, which, in the reasonable opinion of the Underwriters (or any of them), seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation and its Subsidiaries, taken as a whole, or the marketability, market price or value of the Underlying Securities;
- (c) if there shall occur or come into effect any material change in the business, affairs, financial condition, operations, prospects, capital or control of the Corporation and its Subsidiaries, taken as a whole, or any change in any material fact or new material fact, or there should be discovered any previously undisclosed fact which, in each case, in the reasonable opinion of the Underwriters (or any of them), has or could reasonably be expected to have a significant effect on the market price or value or marketability of the Underlying Securities;
- (d) if the Corporation is in breach of any term, condition or covenant of this Agreement or any representation or warranty given by the Corporation becomes or is false in any material respect;
- (e) the Underwriters shall become aware, as a result of their due diligence review or otherwise, of any adverse material change with respect to the Corporation and its Subsidiaries, taken as a whole (in the sole opinion of the Underwriters, or any one of them, acting reasonably), which had not been publicly disclosed or disclosed to the Underwriters prior to the date of this Agreement and which would have a Material Adverse Effect or the market price or value of the Underlying Securities; or
- (f) if the Final Receipt is not received from the British Columbia Securities Commission, as principal regulator, by 5:00 p.m. (EST) on December 4, 2017.

**12.4** The rights of termination contained in this Article 12 as may be exercised by the Underwriters, or any of them, are in addition to any other rights or remedies the Underwriters or any of them may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement or otherwise. Any such termination shall not discharge or otherwise affect any obligations or liability of the Corporation provided herein or prejudice any other rights or remedies any party may have as a result of any breach, default or non-compliance by any other party. Notwithstanding the foregoing sentence, in the event of any such termination, there shall be no further liability on the part of such terminating Underwriter to the Corporation or on the part of the Corporation to such Underwriter except in respect of any liability which may have arisen prior to or which may arise after such termination

under Article 13, Article 14 and Article 15. A notice of termination given by an Underwriter under this Article 12 shall not be binding upon any other Underwriter.

### ARTICLE 13 INDEMNIFICATION

- 13.1 The Corporation agrees to indemnify and hold harmless each of the Underwriters and Selling Firms (if any) and their respective affiliates and subsidiaries and the respective directors, officers, partners, agents, employees and shareholders and each other person, if any, controlling any of the Underwriters or their respective subsidiaries or affiliates (each an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") from and against any and all losses, expenses, claims (including shareholder actions, derivative or otherwise), actions, damages (excluding, except in the case of fraud, special, incidental, consequential, exemplary or punitive damages), and liabilities, joint or several, including without limitation the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred, excluding lost profits (collectively, the "**Losses**") that may be suffered by, imposed upon or asserted against an Indemnified Party as a result of, in respect of, connected with or arising out of any action, suit, proceeding, investigation or claim that may be made or threatened by any person or in enforcing this indemnity (collectively the "**Claims**") insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, from or in consequence of the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the Offering, whether performed before or after the date hereof, or otherwise in connection with the matters referred to in this Agreement, including, without limitation:
- (a) any breach of or default under any representation, warranty, covenant or agreement of the Corporation in this Agreement or in any certificate or other document delivered by or on behalf of the Corporation hereunder or pursuant hereto or the failure of the Corporation to comply with any of its obligations hereunder or pursuant hereto;
  - (b) any information or statement (except any information or statement relating solely to an Indemnified Party and provided in writing by the Indemnified Party for inclusion in such document) contained in any filings made by the Corporation pursuant to Canadian Securities Laws, the Offering Documents or any other document or material filed or delivered by or on behalf of the Corporation pursuant to this Agreement being or being alleged to be a misrepresentation or untrue or any omission or alleged omission to state in those documents any information or fact required to be stated in those documents or necessary to make any such information or statement therein not misleading in light of the circumstances in which they were made;
  - (c) any order made or any inquiry, investigation or proceeding instituted, threatened or announced by any court, securities regulatory authority, stock exchange or by any other competent authority, based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation (except a statement, omission or misrepresentation relating solely to an Indemnified Party provided in writing by the Indemnified Party) contained in any of the Offering Documents or any other document or material filed or delivered by or on behalf of the Corporation pursuant to this Agreement, preventing or restricting the trading in or the sale or distribution of the Debentures, Warrants or Common Shares;

- (d) the Corporation not complying with any requirement of the Canadian Securities Laws, including the rules and regulations of the TSXV, or U.S. Securities Laws, including the Corporation's non-compliance with any statutory requirement to make any document available for inspection; or
- (e) any breach of, default under or non-compliance by the Corporation with any requirements of the Canadian Securities Laws or the regulations of the TSXV,

except to the extent any Losses are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the negligence, intentional fault or wilful misconduct of such Indemnified Party.

- 13.2** The Corporation agrees to waive any right it may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity. The Corporation also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Corporation or any person asserting Claims on behalf of or in right of the Corporation for or in connection with the Offering except to the extent any Losses suffered by the Corporation are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the negligence, intentional fault or wilful misconduct of such Indemnified Party. For greater certainty, the Corporation and the Underwriters agree that they do not intend that any failure by the Underwriters to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing the Offering Documents contained no misrepresentation shall constitute "negligence", "intentional fault" or "willful misconduct" for the purposes of this Article 13 or otherwise disentitle the Underwriters from indemnification hereunder.
- 13.3** The Corporation will not, without the Indemnified Party's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless the Corporation has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.
- 13.4** Promptly after receiving notice of a Claim against an Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Indemnified Party will notify the Corporation in writing of the particulars thereof, provided that the omission so to notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to any Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defense of such Claim or results in any material increase in the liability which the Corporation has under this indemnity. The Corporation shall have 14 days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own expense, the settlement or defense of the Claim. If the Corporation undertakes, conducts and controls the settlement or defense of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defense of the Claim.
- 13.5** The Corporation also agrees to reimburse the Indemnified Parties for the time spent by its personnel in connection with any Claim at their normal per diem rates. Each Indemnified Party

may retain separate legal counsel to act on such Indemnified Party's behalf to separately represent it in the defense of a Claim, which shall be at the Corporation's expense if: (i) the Corporation does not promptly assume the defense of the Claim no later than 14 days after receiving actual notice of the Claim (as set forth above), (ii) the Corporation agrees to separate representation, or (iii) the Indemnified Party is advised by counsel that there is an actual or potential conflict in the Corporation's and the Indemnified Party's respective interests or additional defenses are available to the Indemnified Party, which makes representation by the same counsel inappropriate.

- 13.6** The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or the Underwriters by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and/or the Indemnified Parties shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Underwriters, the Indemnified Parties shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Underwriters for time spent by the Indemnified Parties in connection therewith) and out-of-pocket expenses incurred by Indemnified Parties in connection therewith shall be paid by the Corporation as they occur.
- 13.7** To the extent that any Indemnified Party is not a party to this Agreement, the Underwriters shall obtain and hold the right and benefit of the above-noted indemnity in trust for and on behalf of such Indemnified Party.
- 13.8** The Corporation agrees to reimburse the Underwriters for the time spent by their personnel in connection with any Claim at their normal per diem rates.
- 13.9** The indemnity and the contribution obligations of the Corporation pursuant to this Article 13 shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the personnel of the Underwriters and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation and any of the Indemnified Parties. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

#### **ARTICLE 14 CONTRIBUTION**

- 14.1** In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Article 13 (other than in accordance with the terms hereof) would otherwise be available in accordance with its terms but is unavailable to the Underwriters or the Indemnified Parties or insufficient to hold them harmless in respect of a Claim for any reason, the Corporation shall contribute to the amount paid or payable by the Underwriters or the other Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Underwriters or any other Indemnified Party on the other hand but also the relative fault of the Corporation, the Underwriters or any other Indemnified Party as well as any relevant equitable considerations; provided that the Corporation shall in any event contribute to the amount paid or payable by the Underwriters or any other Indemnified Party as a result of such Claim any excess of such amount over the amount of the fees received by the Underwriters under this Agreement.

**ARTICLE 15  
EXPENSES**

- 15.1** The Corporation will be responsible for all expenses related to the Offering, whether or not the Offering is completed, including, but not limited to, the fees and disbursements of the Corporation's legal counsel, the reasonable fees of the Underwriters' Canadian counsel up to \$100,000.00 (plus applicable taxes, expenses and disbursements), the fees and disbursements of accountants and auditors, the fees and disbursements of translators, the fees and disbursements of technical consultants and other applicable experts, all costs and expenses related to road-shows and marketing activities, printing costs, filing fees, distribution fees, stock exchange fees, fees for other regulatory compliance, other out-of-pocket expenses of the Underwriters (including, but not limited to, travel expenses in connection with due diligence and marketing activities) and all taxes payable in respect of any of the foregoing. All such fees, disbursements and expenses shall be payable by the Corporation immediately upon receiving an invoice therefor from the Underwriters, or, at the option of the Underwriters, may be deducted from the gross proceeds of the Offering otherwise payable by the Underwriters to the Corporation at the Closing of the Offering.

**ARTICLE 16  
OBLIGATIONS OF THE UNDERWRITERS TO BE SEVERAL**

- 16.1** Subject to the terms and conditions of this Agreement, the obligation of the Underwriters to purchase the Units shall be several (and not joint nor joint and several) and shall be as to the following percentages:

Mackie Research Capital Corporation	75%
Haywood Securities Inc.	15%
Eight Capital Corporation	10%
	100%

- 16.2** If an Underwriter (a "**Refusing Underwriter**") fails to purchase its applicable percentage of the Units (or the Option Units, if the Over-Allotment Option is exercised) (each, "**Defaulted Securities**") which that Underwriter has agreed to purchase under this Agreement (other than in accordance with Article 12 hereof) at the Closing Time or Over-Allotment Closing Time, as applicable, the non-defaulting Underwriters (the "**Continuing Underwriters**") shall have the right, but not the obligation, to purchase all but not less than all of the Defaulted Securities upon the terms herein set forth. No action taken pursuant to this Article 16 shall relieve any Refusing Underwriter from liability in respect of its default to the Corporation or to any Continuing Underwriter. In the event of any such default which does not result in a termination of this Agreement, the Continuing Underwriters shall have the right to postpone the Closing for a period not exceeding seven days in order to determine to proceed. In the event that such right to purchase is not exercised, the Continuing Underwriters shall be relieved of all obligations to the Corporation. Nothing herein shall oblige the Corporation to sell less than all of the Units. Nothing in this Agreement shall oblige any U.S. Affiliate of any of the Underwriters to purchase the Units. Any United States broker dealer who makes any offers or sales of the Units to, or for the account or benefit of, persons in the United States or U.S. Persons will do so solely as an agent for an Underwriter.

**ARTICLE 17**  
**ACTION BY UNDERWRITERS**

- 17.1** All steps which must or may be taken by the Underwriters in connection with this Agreement resulting from the Corporation's acceptance of this offer, with the exception of the matters contemplated by Article 12, Article 13 and Article 14 may be taken by the Lead Underwriter on behalf of itself and the other Underwriters and the acceptance of this offer by the Corporation shall constitute the Corporation's authority for accepting notification of any such steps from, and for delivering the definitive documents in respect of the Offering to, or to the order of, the Lead Underwriter.

**ARTICLE 18**  
**OVER-ALLOTMENT OPTION**

- 18.1** The Over-Allotment Option shall be exercisable, in whole or in part, until the Over-Allotment Expiry Date. The Over-Allotment Option may be exercised by the Underwriter by delivery of written notice to the Corporation confirming the number of Option Units, Additional Common Shares and/or Additional Warrants, as the case may be, in respect of which the Over-Allotment Option is being exercised. Upon exercise of the Over-Allotment Option, the Corporation shall become obligated to issue and sell and the Underwriter shall become obligated to purchase the total number of the Option Units, Additional Common Shares and/or Additional Warrants, as the case may be, as to which the Underwriter is then exercising the Over-Allotment Option. The option closing time (the "**Over-Allotment Closing Time**") shall be determined by the Underwriter but shall not be earlier than two Business Days or later than seven Business Days after the exercise of the Over-Allotment Option and, in any event, shall not be earlier than the Closing Date or later than seven days after the Over-Allotment Expiry Date.
- (a) In the event that the Corporation should subdivide, consolidate or otherwise change the Common Shares during the period during which the Over-Allotment Option is exercisable, the number of Option Units, Additional Common Shares and/or Additional Warrants, as the case may be, shall be similarly subdivided, consolidated or changed such that the Underwriter would be entitled to receive the same number and type of securities that they would have otherwise been entitled to receive had they fully exercised such Over-Allotment Option prior to such subdivision, consolidation or change. The purchase price per Option Units, Additional Common Shares and/or Additional Warrants, as the case may be, shall be adjusted accordingly and notice shall be given to the Underwriter of such adjustment. In the event that the Underwriter shall disagree with the foregoing adjustment, such adjustment shall be determined conclusively by the Auditors at the Corporation's expense.
- (b) If the Over-Allotment Option is exercised as to all or any portion of the Option Units, Additional Common Shares and/or Additional Warrants, as the case may be, such securities shall be issued, and payment therefore, shall be delivered at the Over-Allotment Closing Time in the manner, and upon the terms and conditions, set forth in Article 5, except that reference therein to the Units and Closing Time shall be deemed, for the purposes of this Article 18, to refer to such Option Units, Additional Common Shares and/or Additional Warrants, as the case may be, and Over-Allotment Closing Time, respectively.
- 18.2** If the Over-Allotment Option is exercised, the obligations of the Underwriter to purchase the Option Units shall be conditional on the delivery by the Corporation of certain certificates,

documents and opinions referred to in Article 5 as of the Over-Allotment Closing Time as if references therein to Closing Time were references to Over-Allotment Closing Time.

**ARTICLE 19  
GOVERNING LAW**

- 19.1** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia, which will have non-exclusive jurisdiction over any matter arising out of this Agreement.

**ARTICLE 20  
SURVIVAL OF WARRANTIES, REPRESENTATIONS, COVENANTS AND AGREEMENTS**

- 20.1** Except as expressly set out herein, all warranties, representations, covenants and agreements of the Corporation and the Underwriters herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the purchase by the Underwriters and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as the case may be, for a period of 24 months regardless of the Closing of the sale of the Units, any subsequent disposition of the Units by the Underwriters or the termination of the Underwriters' obligations under this Agreement and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Offering Documents or the distribution of the Units or otherwise, and the Corporation agrees that the Underwriters shall not be presumed to know of the existence of a claim against the Corporation under this Agreement or any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Units as a result of any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Offering Documents or the distribution of the Units or otherwise. Without limiting the foregoing, the provisions contained in this Agreement in any way related to indemnification or contribution obligations shall survive and continue in full force and effect, indefinitely.

**ARTICLE 21  
NOTICES**

- 21.1** All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile delivered or electronic delivery to such other party as follows:

(a) to the Corporation at:

Harvest One Cannabis Inc.  
1066 West Hastings Street, Suite 2650  
Vancouver, British Columbia, V7H 2J7

Attention: Andreas Gedeon, Chief Executive Officer and Managing Director  
E-Mail: [agedeon@mmj.ca](mailto:agedeon@mmj.ca)

with a copy (which shall not constitute notice hereunder) to:

Bennett Jones LLP  
3400 One First Canadian Place  
Toronto, Ontario, M5X 1A4, P.O. Box 130

Attention: Aaron Sonshine  
E-Mail: [sonshinea@bennettjones.com](mailto:sonshinea@bennettjones.com)

(b) to the Underwriters, to:

Mackie Research Capital Corp.  
199 Bay Street, Suite 4500  
Commerce Court West, Box 368  
Toronto, Ontario, M5L 1G2

Attention: Kevin Shaw  
E-Mail: [kshaw@mackieresearch.com](mailto:kshaw@mackieresearch.com)

and

Haywood Securities Inc.  
Bay Wellington Tower, Brookfield Place  
181 Bay Street, Suite 2910  
Toronto, Ontario, M5J 2T3

Attention: Campbell Becher  
E-Mail: [cbecher@haywood.com](mailto:cbecher@haywood.com)

and

Eight Capital  
100 Adelaide St. W, Suite 2900, EY Tower  
Toronto, Ontario, M5H 1S3

Attention: Patrick McBride  
E-Mail: [pmcbride@viiicapital.com](mailto:pmcbride@viiicapital.com)

with a copy (which shall not constitute notice hereunder) to:

Burnet, Duckworth & Palmer LLP  
Suite 2400, 525 - 8th Avenue S.W.  
Calgary, Alberta, T2P 1G1

Attention: P.L. (Lonny) Tetley  
E-Mail: [plt@bdplaw.com](mailto:plt@bdplaw.com)

or at such other address or facsimile number as may be given by either of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when delivered or, if facsimile, on the next Business Day after such notice or other communication has been facsimile (with receipt confirmed).

**ARTICLE 22  
ENFORCEABILITY**

- 22.1 To the extent permitted by applicable law, the invalidity or unenforceability of any particular provision of this Agreement will not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

**ARTICLE 23  
SUCCESSORS AND ASSIGNS**

- 23.1 The terms and provisions of this Agreement will be binding upon and enure to the benefit of the Corporation and the Underwriters and their respective successors and assigns; provided that, except as otherwise provided in this Agreement, this Agreement will not be assignable by any party without the written consent of the others and any purported assignment without that consent will be invalid and of no force and effect.

**ARTICLE 24  
ENTIRE AGREEMENT; TIME OF THE ESSENCE**

- 24.1 This Agreement, including Schedule "A" hereto, constitutes the entire agreement between the Underwriters and the Corporation relating to the subject matter hereof and supersedes all prior agreements between the Underwriters and the Corporation (including, for greater certainty, the Engagement Letter) and time shall be of the essence hereof.

**ARTICLE 25  
MARKET STABILIZATION**

- 25.1 In connection with the distribution of the Units, the Underwriters may affect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by applicable Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriters at any time.

**ARTICLE 26  
FURTHER ASSURANCES**

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

**ARTICLE 27  
RELATIONSHIP OF THE UNDERWRITERS**

- 27.1 In performing their respective obligations under this Agreement, the Underwriters shall be acting severally and not jointly nor jointly and severally. Nothing in this agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Underwriters.

**ARTICLE 28  
NO FIDUCIARY DUTY**

- 28.1** The Corporation hereby acknowledges that (a) the purchase and sale of the Units pursuant to this Agreement is an arm's-length commercial transaction between the Corporation, on the one hand, and the Underwriters and any affiliate through which they may be acting, on the other, (b) the Underwriters are acting as principals and not as agents or fiduciaries of the Corporation, and (c) the engagement of the Underwriters by the Corporation in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether any of the Underwriters have advised or are currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriters owe an agency, fiduciary or similar duty to the Corporation in connection with such transaction or the process leading thereto.

**ARTICLE 29  
EFFECTIVE DATE**

- 29.1** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

**ARTICLE 30  
LANGUAGE**

- 30.1** The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressment demandees que la presente convention ainsi que tout avis, tout etat de compte et tout autre document a etre ou pouvant etre donne ou conclu en vertu des dispositions des presentes, soient rediges en langue anglaise seulement.

**ARTICLE 31  
COUNTERPARTS AND ELECTRONIC OR FACSIMILE COPIES**

- 31.1** This Agreement may be executed in any number of counterparts and by facsimile or other electronic transmission (in PDF), each of which so executed will constitute an original and all of which taken together shall form one and the same agreement.

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If this offer accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by the Corporation please communicate your acceptance by executing where indicated below and returning by facsimile one copy and returning by courier one originally executed copy to the Underwriters.

Yours very truly,

**MACKIE RESEARCH CAPITAL CORP.**

Per: "Kevin Shaw"  
Authorized Signing Officer

**HAYWOOD SECURITIES INC.**

Per: "Campbell Becher"  
Authorized Signing Officer

**EIGHT CAPITAL**

Per: "Patrick McBride"  
Authorized Signing Officer

**[Balance of Page Intentionally Left Blank]**

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written

**HARVEST ONE CANNABIS INC.**

Per: "*Andreas Gedeon*"  
\_\_\_\_\_  
Authorized Signing Officer

## SCHEDULE "A"

### Compliance with United States Securities Laws

As used in this schedule, the following terms shall have the meanings indicated:

<b>Affiliate</b>	means an "affiliate" as that term is defined in Rule 405 under the U.S. Securities Act;
<b>Directed Selling Efforts</b>	means "directed selling efforts" as that term is defined in Regulation S;
<b>Foreign Issuer</b>	means a "foreign issuer" as that term is defined in Regulation S;
<b>General Solicitation or General Advertising</b>	means "general solicitation or general advertising", as used under Rule 502(c) under the U.S. Securities Act, including , without limitation, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television or Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
<b>Offshore Transaction</b>	means an "offshore transaction" as that term is defined in Regulation S;
<b>Qualified Institutional Buyer</b>	means a "qualified institutional buyer" as that term is defined in Rule 144A;
<b>Qualified Institutional Buyer Investment Letter</b>	means the qualified institutional buyer investment letter in the form attached to the U.S. Placement Memorandum;
<b>Regulation S</b>	means Regulation S under the U.S. Securities Act;
<b>Rule 144A</b>	means Rule 144A under the U.S. Securities Act;
<b>Substantial U.S. Market Interest</b>	means "substantial U.S. market interest" as that term is defined in Regulation S;
<b>U.S. Affiliate</b>	means any U.S. registered broker-dealer affiliate of any Underwriter;
<b>U.S. Exchange Act</b>	means the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;
<b>U.S. Person</b>	means a "U.S. person" as that term is defined in Rule 902(k) of Regulation S; and
<b>U.S. Securities Act</b>	means the United States Securities Act of 1933, as amended,

and the rules and regulations promulgated thereunder.

All capitalized terms used herein without definition have the meanings ascribed thereto in the Underwriting Agreement.

### **Representations, Warranties and Covenants of the Underwriters**

The Underwriters (on their own behalf and on behalf of their respective U.S. Affiliates) severally but not jointly nor jointly and severally acknowledge that the Units, the Debentures and Warrants comprising the Units and the Debenture Shares and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, any person within the United States or a U.S. Person except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, each of the Underwriters (on its own behalf and on behalf of its respective U.S. Affiliate) severally but not jointly nor jointly and severally represents, warrants and covenants to the Corporation as of the date hereof and each Closing Date, and will cause its U.S. Affiliate to comply with such representations, warranties and covenants, that:

1. It has offered and sold, and will offer and sell, the Units forming part of its allotment only (a) in an Offshore Transaction in accordance with Rule 903 of Regulation S or (b) as provided in this Schedule "A". Accordingly, neither the Underwriter, its affiliates nor any persons acting on its or their behalf, has made or will make (except as permitted in this Schedule "A"): (i) any offer to sell or any solicitation of an offer to buy, any Units to, or for the account or benefit of, any person in the United States or a U.S. Person; (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and not a U.S. Person, or the Underwriter, its affiliates or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person; or (iii) any Directed Selling Efforts to, or for the account or benefit of, persons in the United States or U.S. Persons with respect to the Units, the Debentures, the Warrants, the Debenture Shares or the Warrant Shares.
2. Any offer, sale or solicitation of an offer to buy Units that has been made or will be made by it or its U.S. Affiliate to, or for the account or benefit of, a person in the United States or a U.S. Person was or will be made only to persons reasonably believed by it and its U.S. Affiliate to be Qualified Institutional Buyers purchasing Units for its own account or for the account of one or more Qualified Institutional Buyers with respect to which it exercises sole investment discretion in accordance with Rule 144A in transactions that are exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws.
3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with its affiliates, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Affiliate and each selling group member to agree in writing, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that its U.S. Affiliate and each selling group member complies with, the same provisions of this Schedule "A" as apply to such Underwriter as if such provisions applied to such U.S. Affiliate or selling group member.
4. All offers and sales of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons will be effected through its U.S. Affiliate, and such U.S. Affiliate is, and shall be on the date of each offer and sale of Units by it, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such

offers and sales of Units were or will be made (unless exempted from the respective state's broker-dealer registration requirements) and is, and shall be on the date of each offer and sale of Units by it, a member in good standing with the Financial Industry Regulatory Authority, Inc. ("FINRA"). All offers and sales of Units to, or for the account or benefit of, persons in the United States and U.S. Persons by it were made and will be made by its U.S. Affiliate in compliance with all applicable United States federal and state broker-dealer requirements and all applicable rules of FINRA. Each of it and its U.S. Affiliate is a Qualified Institutional Buyer.

5. None of it, its affiliates or any person acting on its or their behalf has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with its offers and sales of the Units, the Debentures or the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons.
6. Immediately prior to soliciting offerees in the United States or who are U.S. Persons and at the time of completion of each sale to a purchaser to, or for the account or benefit of, persons in the United States or U.S. Persons, it, its U.S. Affiliate and any person acting on its or their behalf had reasonable grounds to believe and did believe that each offeree or purchaser, as applicable, was a Qualified Institutional Buyer purchasing Units directly from the Underwriter through its U.S. Affiliate.
7. Prior to the completion of any sale of Units to, or for the account or benefit of, persons in the United States or U.S. Persons to a Qualified Institutional Buyer pursuant to Rule 144A, each such Qualified Institutional Buyer will be required to provide a duly executed Qualified Institutional Buyer Investment Letter.
8. Each offeree of Units that is in the United States or a U.S. Person shall be provided with a copy of one or both of the U.S. Preliminary Placement Memorandum and the U.S. Placement Memorandum. Each purchaser of Units that is in the United States or a U.S. Person shall be provided, prior to time of purchase of any Units, with a copy of the U.S. Placement Memorandum.
9. At least one Business Day prior to the time of delivery, it will provide the Corporation and its transfer agents with a list of all purchasers of the Units in the United States, who are U.S. Persons, who are acting for the account or benefit of a person in the United States or a U.S. Person or that were offered Units in the United States.
10. At each Closing, each Underwriter (together with its U.S. Affiliate) that participated in the offer or sale of Units to, or for the account or benefit of, persons in the United States and U.S. Persons will provide the Corporation with a certificate, substantially in the form of Appendix 1 to this Schedule "A", relating to the manner of the offer and sale of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons, or will be deemed to have represented and warranted for the benefit of the Corporation that neither it nor its U.S. Affiliate offered or sold Units to, or for the account or benefit of, persons in the United States or U.S. Persons.
11. Neither it, its affiliates or any person acting on its or their behalf (other than the Corporation, its affiliates and any person acting on its or their behalf, as to which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units.

12. It had reason to believe that all offers and sales to, or for the account or benefit of, persons in the United States or U.S. Persons were made to persons with knowledge and experience in financial and business matters such that he, she or it was capable of evaluating the merits and risks of the prospective investment in the Units, the Debentures and the Warrants.
13. None of it, its U.S. Affiliate or any person acting on its or their behalf has used nor will use any written material other than the Offering Documents and the Qualified Institutional Buyer Investment Letter in connection with offers and sales of Units to, or for the account or benefit of, persons in the United States and U.S. Persons.
14. All purchasers of the Units in the United States or who are U.S. Persons shall be informed that the Units, the Debentures and Warrants comprising the Units and the Debenture Shares and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Units are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by either Rule 144A and pursuant to similar exemptions under applicable U.S. state securities laws.
15. It acknowledges, on its own behalf and on behalf of its U.S. Affiliate, that until 40 days after the commencement of the Offering, an offer or sale of the Units to, or for the account or benefit of persons within the United States or U.S. Persons by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.

### **Representations, Warranties and Covenants of the Corporation**

The Corporation represents, warrants, covenants and agrees that:

1. The Corporation is, and as of each Closing Date will be, a Foreign Issuer and reasonably believed at the commencement of the Offering that there was no Substantial U.S. Market Interest with respect to the Units, Debentures, Warrants or Common Shares.
2. The Corporation is not, and as a result of the sale of the Units contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended.
3. Except with respect to offers and sales in accordance with this Schedule "A" to Qualified Institutional Buyers in reliance upon an exemption from registration under the U.S. Securities Act, none of the Corporation, its affiliates or any person acting on its or their behalf (other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Units to, or for the account or benefit of, a person in the United States or a U.S. Person; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States and not a U.S. Person or (ii) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person.
4. During the period in which the Units are offered for sale, neither it nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no

representation, warranty or covenant is made) has engaged in or will engage in any Directed Selling Efforts to, or for the account or benefit of, persons in the United States or U.S. Persons with respect to the Units, the Debentures, the Warrants, the Debenture Shares or the Warrant Shares or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act with respect to the offer and sale of the Units or that would cause the exemptions afforded by Rule 144A to be unavailable for offers and sales of Units to, or for the account or benefit of, persons in the United States and U.S. Persons in accordance with this Schedule "A", or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Units outside the United States to non-U.S. Persons in accordance with the Underwriting Agreement and this Schedule "A".

5. None of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, the Units, the Debentures or the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
6. The Units, the Debentures, the Warrants and the Common Shares satisfy the requirements set out in Rule 144A(d)(3) under the U.S. Securities Act.
7. The Corporation will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the sale of the Units.
8. For so long as any of the Units, the Debentures or the Warrants are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or Section 15(d) of the U.S. Exchange Act or exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Corporation will provide to any holder of such Units, or to any prospective purchaser of such Units designated by such holder, upon the request of such holder or prospective purchaser, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4) of the U.S. Securities Act.

**Appendix 1  
to Schedule "A"**

**Underwriter's Certificate**

In connection with the private placement to, or for the account or benefit of persons in the United States and U.S. Persons of the units (the "**Units**") of Harvest One Cannabis Inc. (the "**Corporation**") pursuant to the underwriting agreement dated as of October 16, 2017 (the "**Underwriting Agreement**") among the Corporation and the underwriters named therein, the undersigned does hereby certify as follows:

- (i) **[Name of U.S. Affiliate]** (the "**U.S. Affiliate**") is on the date hereof, and was at the time of each offer and sale of Units to, or for the account or benefit of, persons in the United States or U.S. Persons made by it, a duly registered broker or dealer under the U.S. Exchange Act and all applicable U.S. state securities laws (unless exempted from the respective state's broker-dealer registration requirements), is and was a member of and is in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and the date of each offer and sale of Units by it;
- (ii) the U.S. Affiliate provided each offeree in the United States or who was a U.S. Person to which it offered Units with a copy of one or both of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and provided each purchaser of the Units in the United States or who was a U.S. Person prior to the purchase of any Units with a copy of the U.S. Placement Memorandum, and no other written material (other than the Qualified Institutional Buyer Investment Letter) has been or will be used in connection with offers and sales of Units to, or for the account or benefit of persons, in the United States and U.S. Persons by us;
- (iii) immediately prior to transmitting the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum to such offerees and purchasers, we had reasonable grounds to believe and did believe that each such offeree and purchaser was a Qualified Institutional Buyer and, on the date hereof, we continue to believe that each such offeree or purchaser purchasing Units from us is a Qualified Institutional Buyer;
- (iv) we obtained and delivered to the Corporation, for acceptance at the Closing a duly executed Qualified Institutional Buyer Investment Letter from each Qualified Institutional Buyer purchasing Units pursuant to Rule 144A;
- (v) no form of Directed Selling Efforts, General Solicitation or General Advertising was used by us in connection with the offer or sale of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or any public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (vi) all offers and sales of Units to, or for the account or benefit of, persons in the United States and U.S. Persons have been effected in accordance with all applicable U.S. federal and state broker-dealer requirements;

- (vii) we have not taken and will not take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with offers and sales of the Units; and
- (viii) all offers and sales of the Units have been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2017.

**[UNDERWRITER]**

**[U.S. AFFILIATE]**

Per: \_\_\_\_\_ Per: \_\_\_\_\_