

UNDERWRITING AGREEMENT

September 11, 2023

Medexus Pharmaceuticals Inc.
10 King Street East, Suite 600
Toronto, Ontario
M5C 1C3

**Attention: Ken d'Entremont, Chief Executive Officer
Marcel Konrad, Chief Financial Officer**

Dear Sirs:

Based upon and subject to the terms and conditions set out in this Agreement, Research Capital Corporation (“**RCC**” or the “**Underwriter**”), as sole underwriter and sole bookrunner, hereby offers to purchase, on a “bought deal” basis, from Medexus Pharmaceuticals Inc. (the “**Company**”), and the Company hereby agrees to sell to the Underwriter on the Closing Date (as defined herein), 3,389,900 units of the Company (the “**Offered Units**”), at a price of \$2.95 per Offered Unit (the “**Offering Price**”), for aggregate gross proceeds to the Company of \$10,000,205. Each Offered Unit shall consist of one Common Share (as defined herein) (each a “**Unit Share**”) and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “**Warrant**”). The Warrants will be issued on the Closing Date pursuant to a warrant indenture to be dated as of the Closing Date between Odyssey Trust Company (the “**Warrant Agent**”) and the Company (the “**Warrant Indenture**”). Each Warrant will entitle the holder to purchase one Common Share (each, a “**Warrant Share**”) at a price of \$3.65 for a period of 30 months following the Closing Date.

In addition, the Company hereby grants an option (the “**Over-Allotment Option**”) to the Underwriter entitling the Underwriter to acquire from the Company, on and subject to the terms and conditions contained herein, in whole or in part, at any time and from time to time, until the 30th date following the Closing Date, up to 508,484 additional Offered Units (the “**Additional Units**”) at the Offering Price for additional gross proceeds of up to \$1,500,027.80. The Over-Allotment Option will be exercisable to purchase: (i) Additional Units at the Offering Price, (ii) additional Unit Shares (the “**Additional Shares**”) at a price of \$2.7299 per Additional Share, (iii) additional Warrants (“**Additional Warrants**”) at a price of \$0.4402 per one Additional Warrant, or (iv) any combination thereof, so long as (A) the number of Additional Units does not exceed 508,484, (B) the number of Additional Shares does not exceed 508,484, and (C) the number of Additional Warrants (including Warrants forming part of the Additional Units) does not exceed 254,242. The Underwriter shall be under no obligation whatsoever to exercise the Over-Allotment Option in whole or in part. After a reasonable effort has been made to sell all of the Offered Units at the Offering Price, the Underwriter may subsequently reduce the selling price to investors from time to time, provided that any such reduction in the Offering Price shall not affect the aggregate Offering Price less Underwriter’s Commission (as defined below) payable to the Company.

Unless otherwise specifically referenced or unless the context otherwise requires, the Offered Units, Unit Shares, Warrants and the Additional Units, Additional Shares and/or Additional Warrants are collectively referred to herein as the “**Offered Securities**”, all references to “**Offered Units**” herein shall include the Additional Units, all references to “**Unit Shares**” herein shall include the Common Shares comprising the

Additional Units and the Additional Shares, all references to “**Warrants**” herein shall include the Warrants comprising the Additional Units and the Additional Warrants, all references to “**Warrant Shares**” herein shall include the Common Shares issuable upon exercise of the Warrants comprising the Additional Units and upon exercise of the Additional Warrants, and the offering of the Offered Securities by the Company is hereinafter referred to as the “**Offering**”.

The Offered Units may be distributed in each of the provinces of Canada (except Québec) (the “**Qualifying Jurisdictions**”) pursuant to the Final Prospectus (as defined herein). Subject to applicable law, including Canadian Securities Laws (as defined herein), and the terms of this Agreement, the Offered Units may also be distributed outside Canada where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdictions.

The Underwriter shall be entitled (but not obligated) in connection with the Offering to retain as subagents other registered securities dealers for the purposes of arranging for purchases of the Offered Units (each, a “**Selling Firm**”), at no additional cost to the Company. The fee payable to any Selling Firm shall be for the account of the Underwriter.

In consideration of the services of buying and distributing the Offered Securities and other ancillary services related thereto to be rendered by the Underwriter hereunder, the Underwriter will receive a cash fee (the “**Underwriter’s Commission**”) equal to 6.0% of the gross proceeds received by the Company from the Offering (including any gross proceeds from the sale of the Additional Units, Additional Shares and/or Additional Warrants). The Underwriter’s Commission shall be satisfied by set-off against a like portion of the purchase price payable by the Underwriter for such Offered Securities in accordance with Section 6 of this Agreement. The Company acknowledges that the services of the Underwriter are not subject to HST and agrees that, in the event that HST becomes exigible on the Underwriter’s Commission, the Company shall pay such amount to the Underwriter.

As additional consideration for such services to be rendered by the Underwriter hereunder, the Underwriter shall be issued Compensation Options (the “**Compensation Options**”) equal to 6.0% of the aggregate number of Offered Units sold hereunder (including from the sale of the Additional Units, Additional Shares and/or Additional Warrants). The Compensation Options will be qualified for distribution under the Final Prospectus. Each Compensation Option will entitle the holder to purchase one Common Share (each, a “**Compensation Option Share**”) at the Offering Price for a period of 30 months following the Closing Date. If the Compensation Options are unavailable for any reason it is agreed that the Company shall pay the Underwriter other compensation of comparable value to the Compensation Options. Such other compensation shall be agreed to between the Company and the Underwriter, each acting reasonably.

The parties acknowledge that the Offered Units, the Unit Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act (as defined herein) or the securities laws of any state of the United States (as defined herein) and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons (as defined herein) , except with the written consent of the Company, acting reasonably, pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States in the manner to be agreed to between the Company and the Underwriter, each acting reasonably.

DEFINITIONS AND INTERPRETATION

In this Agreement:

“**Additional Shares**” has the meaning given to that term in the second paragraph of this Agreement;

“**Additional Units**” has the meaning given to that term in the second paragraph of this Agreement;

“**Additional Warrants**” has the meaning given to that term in the second paragraph of this Agreement;

“**affiliate**”, “**associate**”, “**distribution**”, “**material change**”, “**material fact**”, and “**misrepresentation**” have the respective meanings given to them in the Ontario 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;

“**Applicable Laws**” means, in relation to any person, the Company, the Subsidiaries, the Business or the Offering, all applicable laws, including Health Care Laws, Environmental Laws, statutes, Authorizations, ordinances, decrees, rules, regulations, by-laws, legally enforceable policies, codes or guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, orders, decisions, directives, rulings, subpoenas, or awards, and conditions of any grant or maintenance of any approval, permission, certification, consent, registration, authority or licence, any applicable federal, territorial, provincial or state pricing policies, and any other requirements of any Governmental Authority, by which such Person is bound or having application to the Business or the Offering and any amendments or supplements to, or replacements and substitutions of, any of the foregoing;

“**Authorizations**” means any approval, consent, exemption, ruling, authorization (including Environmental Authorizations and Health Care Authorizations), notice, license, permit (including an import permit or export permit), or acknowledgement that may be required from any Governmental Authority pursuant to Applicable Law, or which is otherwise required under Applicable Law for the Company to perform its obligations under this Agreement or to conduct the Business, including, without limitation, any, approvals or authorizations from Health Canada and the U.S. Food and Drug Administration, or other authorizations related to the Business, including the Products;

“**Bid Letter**” means the letter agreement relating to the Offering dated September 5, 2023 between the Company and the Underwriter;

“**Business**” means the business of the Company and its Subsidiaries as presently conducted or as proposed to be conducted and as more particularly described in the Disclosure Documents and the Offering Documents;

“**Business Assets**” means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated or used, including all the Products, real property, fixed assets, facilities, equipment, inventories and accounts receivable, by the Company and the Subsidiaries in connection with the Business;

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario and Montreal, Québec are not open for business;

“**Canadian Securities Commissions**” means, collectively, the applicable securities commissions or other securities regulatory authority in each of the Qualifying Jurisdictions;

“**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 (including National Instruments and Multilateral Instruments) and notices of the Canadian Securities Commissions, and all discretionary orders or rulings, if any, of the Canadian Securities Commissions made in connection with the transactions contemplated by this Agreement;

“**CBCA**” means the *Canada Business Corporations Act* and the regulations promulgated thereunder;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Claims**” has the meaning given to that term in Section 13(a) hereof;

“**Closing**” means the completion of the issue and sale by the Company and the purchase by the Purchasers or the Underwriter, as applicable, of the Offered Units as contemplated by this Agreement;

“**Closing Date**” means September 21, 2023 or such other date as the Company and the Underwriter may agree in writing;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Underwriter may agree in writing;

“**Common Shares**” means the common shares in the capital of the Company;

“**Company**” has the meaning given to that term in the first paragraph of this Agreement;

“**Company’s Auditors**” means such firm of chartered accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

“**comparables**” has the meaning given to that term in NI 44-101;

“**Compensation Option Certificates**” means the definitive certificates representing the Compensation Options in a form acceptable to the Underwriter and the Company;

“**Compensation Option Shares**” has the meaning given to that term in the seventh paragraph of this Agreement;

“**Compensation Options**” has the meaning given to that term in the seventh paragraph of this Agreement;

“**Credit Agreement**” has the meaning given to that term in the Prospectus;

“Debt Instrument” means any mortgage, note, indenture, loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Company or any Subsidiary is a party or otherwise bound;

“Disclosure Documents” means, collectively, all of the documentation which has been filed by or on behalf of the Company with the relevant Canadian Securities Commissions pursuant to the requirements of Canadian Securities Laws, including all press releases, material change reports (excluding any confidential material change report), annual information forms, business acquisition reports, management’s discussion & analysis, management information circulars, and financial statements of the Company since January 1, 2021;

“Documents Incorporated by Reference” means all financial statements, management information circulars, annual information forms, management’s discussion & analysis, material change reports, business acquisition reports, marketing materials or other documents filed by the Company on SEDAR, whether before or after the date of this Agreement, that are required or deemed by Canadian Securities Laws to be incorporated by reference into the Preliminary Prospectus, the Final Prospectus and/or any Supplementary Material, as applicable;

“Employee Plans” has the meaning given to that term in Section 5(zzz) hereof;

“Environmental Authorizations” means all Authorizations required under any Environmental Laws to carry on or relating to the Business;

“Environmental Laws” means any federal, provincial, territorial, state, local or municipal statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

“Exchange” means the Toronto Stock Exchange;

“Final Prospectus” means the (final) short form prospectus of the Company, including all Documents Incorporated by Reference, relating to the qualification for distribution of the Offered Securities and the Compensation Options under Canadian Securities Laws, which is to be filed with the OSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System;

“Final Receipt” means a receipt for the Final Prospectus issued in accordance with the Passport System;

“Financial Data” means financial information, including the Financial Statements, and statistical and accounting data (other than industry data derived from industry sources or based upon estimates of management of the applicable person);

“Financial Information” has the meaning given to that term in Section 13(a)(ii) hereof;

“Financial Statements” means, collectively: the unaudited condensed consolidated interim financial statements of the Company for the three months ending June 30, 2023; the audited consolidated financial statements of the Company as at and for the years ended March 31, 2023 and 2022; and any other financial statements included in the Documents Incorporated by Reference, including the notes to such statements and the related auditors’ report on such statements, where applicable, prepared in accordance with IFRS;

“Governmental Authority” means any provincial, territorial, state or federal, and as applicable in the circumstances, any foreign: (a) government; (b) court, arbitral or other tribunal or governmental or quasi-governmental authority of any nature (including any governmental agency, political subdivision, instrumentality, branch, department, official, or entity); (c) body or other instrumentality exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature pertaining to government, authority and includes any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any securities regulatory authority, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, without limitation, the U.S. Food and Drug Administration and Health Canada; (d) any formulary body with responsibility for determining listability of a drug product, including, without limitation, the Products on any applicable formulary or for determining the pricing of drug products, including, without limitation, the Products for reimbursement, with jurisdiction to review the pricing of and payment for drug products, including, without limitation, the Products; (e) any provincial, state, territorial or federal government or review board with jurisdiction over pricing of patented products or with jurisdiction over competition aspects of pricing of products; or (f) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing and any stock exchange or self-regulatory authority and, for greater certainty, includes the Canadian Securities Commissions, the Exchange and the Canadian Investment Regulatory Organization;

“Hazardous Materials” means chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products;

“Health Care Authorizations” means all Authorizations required under any Health Care Laws to carry on the Business;

“Health Care Laws” means any international, federal, state, provincial or local statutes, regulations, directives, guidelines, ordinances, orders, standards, requirements, approvals, or consents, applicable to the development, testing, manufacturing, quality, market authorization, packaging, labeling, advertising, importation, storage, post-market monitoring, distribution or sale of the Products, including, without limitation, the United States Federal Food, Drug and Cosmetic Act and its regulations, the Canadian Food and Drugs Act and its regulations, and all health care fraud and abuse laws and regulations;

“HIPAA” has the meaning given to that term in Section 5(ggg);

“HITECH Act” has the meaning given to that term in Section 5(ggg);

“HST” means the tax imposed under Part IX of the *Excise Tax Act* (Canada);

“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;

“**including**” means including without limitation;

“**Indemnified Party**” or “**Indemnified Parties**” has the meaning given to that term in Section 13(a) hereof;

“**Intellectual Property**” means all industrial and other intellectual property rights comprising or relating to (a) trademarks, trade dress, trade and business names, branding, brand names, logos, design rights, corporate names and domain names and other similar designations of source, sponsorship, association or origin, together with the goodwill symbolized by any of the foregoing; (b) internet domain names registered by any authorized private registrar or Governmental Authority, web addresses, web pages, websites, URLs and social media handles; (c) works of authorship, expressions, designs and industrial design registrations, software and firmware, data, data files, and databases and other specifications and documentation; (d) inventions, discoveries, improvements, developments, trade secrets, business and technical information, know-how, databases, data collections, patent disclosures and other confidential or proprietary information; and (e) all industrial and other intellectual property rights, and all rights, interests and protections that are associated with, equivalent or similar to, or required for the exercise of, any of the foregoing, however arising, in each case whether registered or unregistered, such registered rights including patent, trademark, industrial design, copyright, including all registrations and applications for, and renewals or extensions of, such rights or forms of protection under the Applicable Laws of any jurisdiction in any part of the world used or necessary for the conduct of the Business as presently conducted or as proposed to be conducted or that is owned or purported to be owned by the Company and any Subsidiary;

“**IT Systems**” has the meaning given to that term in Section 5(iiii) hereof;

“**knowledge of the Company**” (or similar phrases) means, with respect to the Company, the actual and imputed knowledge of Ken d’Entremont, Marcel Konrad and Brendon Buschman after having made reasonable enquiry of appropriate and relevant persons and documentation;

“**Leased Premises**” means the premises which are material to the Company or any Subsidiary, and which the Company or any Subsidiary occupies as a tenant;

“**Licensed IP**” means the Intellectual Property that is used for the conduct of the Business of the Company and the Subsidiaries as presently conducted or as proposed to be conducted and that is owned by any person other than the Company or any Subsidiary;

“**Liens**” means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim, demand or lien (statutory or otherwise including in respect of Taxes but excluding a lien for Taxes not yet due), in each case, whether contingent or absolute;

“**Losses**” has the meaning given to that term in Section 13(a) hereof;

“**marketing materials**” has the meaning given to that term in NI 41-101;

“**Marketing Materials**” means the term sheet dated September 5, 2023 in respect of the Offering;

“**Material Adverse Effect**” means any fact, effect, event, occurrence, state or being or change (including a decision to implement such a change made by the board of directors or by senior management who believe

that confirmation of the decision of the board of directors is probable) that is, or could reasonably be expected to be, individually or in the aggregate, material and adverse to the Business, operations, financial condition, results, assets (including intangible assets), properties, rights, capitalization or liabilities of the Company and the Subsidiaries (taken as a whole) or that is or is reasonably likely to be materially adverse to the completion of the transactions contemplated by this Agreement;

“**Material Agreement**” means any material contract, commitment, agreement (written or oral), instrument, lease or other document, including licence agreements and agreements relating to Intellectual Property, to which the Company or any Subsidiary are a party or to which its property or assets are otherwise bound, including without limitation the contracts listed under the heading “Material Contracts” in the Company’s Annual Information Form for the year ended March 31, 2023;

“**Medac**” means medac GmbH;

“**MI 11-102**” means Multilateral Instrument 11-102 – *Passport System*;

“**Money Laundering Laws**” has the meaning given to that term in Section 5(mmmm);

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*;

“**NI 44-101**” means National Instrument 44-101 – *Short Form Prospectus Distributions*;

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

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

“**Offered Securities**” has the meaning given to that term in the third paragraph of this Agreement;

“**Offered Units**” has the meaning given to that term in the first and third paragraphs of this Agreement;

“**Offering**” has the meaning given to that term in the third paragraph of this Agreement;

“**Offering Documents**” means, collectively, the Preliminary Prospectus, the Final Prospectus, the Marketing Materials and any Supplementary Material;

“**Offering Price**” has the meaning given to that term in the first paragraph of this Agreement;

“**Ontario Act**” means the *Securities Act* (Ontario);

“**OSC**” means the Ontario Securities Commission;

“**OTCQX**” means the OTCQX Market;

“**Over-Allotment Closing**” has the meaning given to that term in Section 8(b) hereof;

“**Over-Allotment Closing Date**” has the meaning given to that term in Section 8(a) hereof;

“**Over-Allotment Closing Time**” means 8:30 a.m. (Toronto time) on the Over-Allotment Closing Date or such other time on the Over-Allotment Closing Date as the Company and the Underwriter may agree in writing;

“**Over-Allotment Option**” has the meaning given to that term in the second paragraph of this Agreement;

“**Over-Allotment Option Notice**” has the meaning given to that term in Section 8(a) hereof;

“**Owned Intellectual Property**” means Intellectual Property which is owned or purported to be owned by the Company or any Subsidiary;

“**Owned Real Property**” means the real property owned by the Company or its Subsidiaries located at 35 Nixon Road, Bolton, ON L7E 1K1;

“**Passport System**” means the system and procedures described under MI 11-102 and NP 11-202;

“**person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“**Personal Data**” has the meaning given to that term in Section 5(iiii) hereof;

“**Preliminary Prospectus**” means the preliminary short form prospectus of the Company dated of even date herewith, including all Documents Incorporated by Reference, relating to the qualification for distribution of the Offered Securities and the Compensation Options under Canadian Securities Laws, which is to be filed with the OSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System;

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

“**Products**” means the pharmaceutical products under development, manufactured, marketed or sold by the Company or its Subsidiaries, including, without limitation, the pharmaceutical products described in the Offering Documents and Disclosure Documents;

“**Prospectus**” means, collectively, the Preliminary Prospectus, the Final Prospectus and any amendments thereto;

“**Purchasers**” means the persons who, as purchasers, acquire Offered Securities pursuant to the Offering;

“**Qualifying Jurisdictions**” has the meaning given to that term in the fourth paragraph of this Agreement;

“**Sanctioned Person**” has the meaning given to that term in Section 5(III) hereof;

“**Sanctions**” has the meaning given to that term in Section 5(III) hereof;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Selling Firm**” has the meaning given to that term in the fifth paragraph of this Agreement;

“**standard term sheet**” has the meaning given to that term in NI 41-101;

“**Subsidiaries**” means the subsidiaries of the Company as listed in Schedule “A”, and “**Subsidiary**” means any one of them;

“**subsidiary**” has the meaning given to that term in the CBCA;

“**Supplementary Material**” means, collectively, any amendment to the Preliminary Prospectus or the Final Prospectus, an amendment to any of the Offering Documents or any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Company under Canadian Securities Laws relating to the Offering;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Taxes**” has the meaning given to that term in Section 5(r) hereof;

“**template version**” has the meaning given to that term in NI 41-101;

“**Transaction Documents**” means, collectively, this Agreement, the Warrant Indenture and the Compensation Option Certificates and the certificates, if any, representing the Offered Securities, the Warrant Shares and the Compensation Option Shares;

“**Transfer Agent**” means Odyssey Trust Company, the transfer agent and registrar for the Common Shares;

“**Underwriter**” has the meaning given to that term in the first paragraph of this Agreement;

“**Underwriter’s Commission**” has the meaning given to that term in the seventh paragraph of this Agreement;

“**Underwriter’s Information**” means information and statements relating solely to the Underwriter which have been provided by the Underwriter to the Company in writing specifically for use in the Offering Documents;

“**Unit Shares**” has the meaning given to that term in the first and third paragraphs of this Agreement;

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**U.S. Person**” means a “U.S. person” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

“**Warrant**” has the meaning given to that term in the first and third paragraphs of this Agreement;

“**Warrant Agent**” has the meaning given to that term in the first paragraph of this Agreement;

“**Warrant Indenture**” has the meaning given to that term in the first paragraph of this Agreement; and

“**Warrant Share**” has the meaning given to that term in the first and third paragraphs of this Agreement.

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) 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. References herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement;
- (b) references herein to any agreement or instrument, including this Agreement, are deemed to be references to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time, and any specific references herein to any legislation or enactment are deemed to be references to such legislation or enactment as the same may be amended or replaced from time to time; and
- (c) (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.

The following schedule is attached to this Agreement, which schedule is deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule “A” – Subsidiaries

TERMS AND CONDITIONS

1. **Company’s Covenants.**

The Company makes the following covenants to the Underwriter, and acknowledges that the Underwriter is relying on such covenants in purchasing the Offered Units.

- (a) As soon as possible after the execution and delivery of this Agreement by the parties hereto and, in any event, on the date of this Agreement, the Company shall file under Canadian Securities Laws the Preliminary Prospectus and other documents relating to the proposed distribution of the Offered Securities in the Qualifying Jurisdictions, and the Company shall use its commercially reasonable efforts to obtain the Preliminary Receipt from the OSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System dated the date hereof.
- (b) The Company shall use its commercially reasonable efforts to satisfy all comments with respect to the Preliminary Prospectus as soon as possible after receipt of such comments. The Company shall prepare and file under the Canadian Securities Laws the Final

Prospectus and other documents relating to the proposed distribution of the Offered Securities in the Qualifying Jurisdictions, and the Company shall use its commercially reasonable efforts to obtain the Final Receipt from the OSC (as principal regulator) and each of the other Canadian Securities Commissions pursuant to the Passport System dated on or before September 18, 2023.

- (c) Until the earlier of the date on which the distribution of the Offered Units is completed or this Agreement is terminated, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Securities and the Compensation Options or, in the event that the Offered Securities, Compensation Options or any of them, have, for any reason, ceased to so qualify, to so qualify again such securities, as applicable, for distribution.
- (d) The Company will use its commercially reasonable efforts to fulfill, at or prior to the Closing Date, each of the covenants and conditions set out in this Agreement.
- (e) Provided the Underwriter has timely taken all action required by it hereunder and under Canadian Securities Laws to permit the Company to do so, the Company shall use its commercially reasonable efforts to secure compliance with all Canadian Securities Laws on a timely basis in connection with the distribution of the Offered Securities and the Compensation Options, including the payment of all filing fees required to be paid by it in connection therewith.
- (f) Prior to the Closing Time and any Over-Allotment Closing Time, the Company will allow the Underwriter (and its counsel and consultants) to conduct all due diligence which the Underwriter requires to: (i) fulfill the Underwriter's obligations as underwriter, and (ii) enable it to responsibly execute the certificate in the Preliminary Prospectus, the Final Prospectus and any Supplementary Material required to be executed by the Underwriter. The Company will provide to the Underwriter (and its counsel) reasonable access to the properties, senior management personnel and corporate, financial and other records of the Company and the Subsidiaries, for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry which the Underwriter (or its counsel) may conduct, the Company shall also make available its directors, senior management, auditors and counsel to answer any reasonable questions which the Underwriter may have and to participate in one or more due diligence sessions to be held prior to Closing and any Over-Allotment Closing and prior to filing each of the Preliminary Prospectus and the Final Prospectus and any amendment thereto.
- (g) The Company will: (A) prior to the Closing Date cause the Exchange to approve or conditionally approve the listing of the Units Shares, Warrant Shares and Compensation Option Shares, pursuant to the applicable by-laws, rules or regulations of the Exchange, subject only to the filing of standard documents and notice of issuance thereof, and the Underwriter shall reasonably cooperate with the Company and the Exchange to the extent necessary in order to obtain any such approval; (B) file with the Exchange all documents and notices required by such Exchange; and (C) release any and all press announcements

relating to the Offering required by the rules of the Exchange and Canadian Securities Laws.

- (h) During the period from the date hereof until the Closing and any Over-Allotment Closing, the Company covenants to promptly provide to the Underwriter and the Underwriter's counsel, prior to the publication, filing or issuance thereof, any communication to the public.
- (i) The Company covenants to apply the net proceeds from the Offering in accordance with the disclosure set out under the heading "Use of Proceeds" in the Final Prospectus.
- (j) The Company covenants to advise the Underwriter, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, Final Prospectus and any Supplementary Material have been filed and receipts therefor have been obtained pursuant to NP 11-202 and will provide evidence satisfactory to the Underwriter of each such filing and copies of such receipts.
- (k) The Company covenants to advise the Underwriter, promptly after receiving notice or obtaining knowledge thereof, of:
 - (i) the issuance by any Canadian Securities Commission of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material;
 - (ii) the institution, threatening or contemplation of any proceeding for any such purposes;
 - (iii) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in the Common Shares or any securities of the Company having been issued by any Canadian Securities Commission or the institution, threatening or contemplation of any proceeding for any such purposes; or
 - (iv) any requests made by any Canadian Securities Commission for amending or supplementing the Preliminary Prospectus or the Final Prospectus or any Supplementary Material or for additional information, and will use its commercially reasonable best efforts to prevent the issuance of any order referred to in (i) or (iii) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.
- (l) The Company shall (i) not take any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the Exchange or the OTCQX and the Company shall use its commercially reasonable efforts to comply with the rules and regulations thereof, and (ii) use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of Canadian Securities Laws in each of the Qualifying Jurisdictions for a period of 30 months following the Closing Date.

- (m) The Company shall use commercially reasonable efforts to maintain the listing of the Common Shares on the Exchange, or such other recognized stock exchange or quotation system as the Underwriter may approve, acting reasonably for a period of 30 months following the Closing Date.
- (n) Except as contemplated by this Agreement, the Company shall not, without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld, directly or indirectly offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares, or debt securities of the Company for a period ending 90 days after the Closing Date, other than: (i) pursuant to this Agreement; (ii) pursuant to the grant of options and share units in the normal course pursuant to the Company's equity incentive plans, or issuance of securities in connection with the conversion, exchange, exercise or redemption of, as the case may be, such options or other awards or outstanding securities of the Company outstanding on the date hereof; (iii) pursuant to obligations in respect of existing agreements; or (iv) an issuance of options or securities in connection with a bona fide acquisition by the Company (other than a direct or indirect acquisition, whether by way of one or more transactions, of an entity all or substantially all of the assets of which are cash, marketable securities or financial in nature or an acquisition that is structured primarily to defeat the intent of this provision).
- (o) The Company shall use reasonable efforts to cause each of the directors, senior officers and insiders of the Company and their respective associates, and existing shareholders with over 5% ownership of the outstanding Common Shares after giving effect to the Offering, to execute lock-up agreements in favour of the Underwriter, agreeing not to, directly or indirectly, offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company held by them, directly or indirectly, for a period ending 90 days from the Closing Date without the prior written consent of the Underwriter, which consent will not be unreasonably withheld or delayed, except that such restrictions shall not apply: (i) to transfers among affiliates of such person, or to any company, trust or other entity owned by or maintained for the benefit of such person, for tax or other planning purposes; (ii) to transfers occurring by operation of law or in connection with transactions as a result of the death of such person, provided that in each of (i) and (ii) above, that any such transferee shall first execute a lock-up agreement with the Underwriter in substantially the same form as the lock-up agreement in place with the transferor for the remainder of the 90-days; (iii) to a tender or sale in or pursuant to a take-over bid or similar transaction involving a change of control of the Company, provided that in the event that such transaction is not completed, the securities shall remain subject to the restrictions in the lock-up agreement; (iv) to the

exercise, conversion or settlement (including at maturity) of previously issued warrants, options, rights, share compensation arrangements or other convertible securities; or (v) in respect of existing agreements regarding the pledging of securities.

- (p) The Company shall allow the Underwriter to participate in the preparation of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material that the Company is required to file or prepare under Canadian Securities Laws relating to the Offering.
- (q) The Company shall ensure that, at the Closing Time and the Over-Allotment Closing Time, the Unit Shares shall be duly issued as fully paid and non-assessable Common Shares on payment of the purchase price therefor.
- (r) The Company shall ensure that, at the Closing Time and the Over-Allotment Closing Time, the Warrants shall be validly created and issued and shall have attributes corresponding in all material respects to the description set forth in the Warrant Indenture.
- (s) The Company will ensure that, at the Closing Time and the Over-Allotment Closing Time, the Compensation Options shall be validly created and issued and shall have attributes corresponding in all material respects to the description set forth in the Compensation Option Certificates.
- (t) The Company will ensure that that, at all times following the issue of the Warrants and the Compensation Options, that a sufficient number of applicable Common Shares are allotted and reserved for issuance upon the due exercise of the Warrants and the Compensation Options and the Compensation Option Shares and the Warrant Shares shall be duly issued as fully paid and non-assessable Common Shares upon the exercise of the Compensation Options and Warrants, respectively, in accordance with their terms.
- (u) The Company will duly appoint the Warrant Agent as the agent under the Warrant Indenture at or prior to the Closing Time.
- (v) The Company will not offer or sell the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, except with the written consent of the Underwriter in its sole discretion pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States in a manner to be agreed to between the Company and the Underwriter, each acting reasonably.
- (w) The Company shall ensure that at the Closing Time and any Over-Allotment Closing Time, the Company and each Subsidiary is validly existing in good standing under the laws of its jurisdiction of formation and under the laws of each jurisdiction in which it owns or leases property, or conducts Business.

2. **Underwriter's Representations and Warranties and Covenants.**

The Underwriter hereby represents and warrants to and covenants with the Company that the Underwriter is duly qualified and registered to carry on business as securities dealer in each of the

Qualifying Jurisdictions where the sale of the Offered Units requires such qualification and/or registration in a manner that permits the sale of the Offered Units on a basis described in Section 2(a). The Underwriter hereby represents and warrants to, and covenants with, the Company that:

- (a) it shall offer and solicit offers for the purchase of the Offered Securities only in compliance with Canadian Securities Laws and the provisions of this Agreement and only from such persons and in such manner that, pursuant to Canadian Securities Laws and, subject to the prior consent of the Company, not to be unreasonably withheld, delayed or conditioned, the securities laws of any other jurisdiction outside of Canada (other than persons in the United States) applicable to the offer and sale of the Offered Securities under this Offering, no prospectus, registration statement or similar document need be delivered or filed, other than any prescribed reports of the issue and sale of the Offered Securities and the Preliminary Prospectus and Final Prospectus and, in the case of any jurisdiction other than the Qualifying Jurisdictions, no continuous disclosure obligations of the Company will be created;
- (b) upon the Company obtaining the Preliminary Receipt and the Final Receipt pursuant to the Passport System and NI 44-101, it shall deliver one copy of each of the Offering Documents (other than the Preliminary Prospectus), as applicable, to each of the Purchasers;
- (c) it will not offer or sell the Offered Securities in any jurisdiction other than the Qualifying Jurisdictions or outside of the Qualifying Jurisdictions (other than to persons in the United States) as contemplated in Section 2(a) above;
- (d) it is duly qualified under Canadian Securities Laws in those jurisdictions in which it will act as underwriter of the Company in connection with the Offering so as to permit it to lawfully fulfill its obligations under this Agreement;
- (e) it will refrain from advertising the Offering in (A) printed media of general and regular paid circulation, (B) radio, (C) television, or (D) telecommunication (including electronic display and the Internet) without the consent of the Company, such consent to be promptly considered and not to be unreasonably withheld, delayed or conditioned;
- (f) the Underwriter has made the Offering known to the selling group and/or equity capital markets desks at substantially all Canadian investment dealers and agrees to provide the Company with reasonable advance notice of the proposed allocation of Offered Securities to the purchasers thereof prior to Closing or any Over-Allotment Closing;
- (g) it will use its commercially reasonable efforts to complete the distribution of the Offered Units pursuant to the Final Prospectus as early as practicable and the Underwriter shall advise the Company in writing when, in the opinion of the Underwriter, it has completed the distribution of the Offered Units and, if required for regulatory compliance purposes, promptly provide a breakdown of the number of Offered Units distributed and proceeds received (A) in each of the Qualifying Jurisdictions, and (B) in any other jurisdiction in which the Offered Units are offered or sold; and

- (h) it is a resident of Canada for the purposes of the Tax Act.

3. **Deliveries on Filing, Marketing Materials and Related Matters.**

- (a) Concurrently with the filing of each of the Preliminary Prospectus and the Final Prospectus, as the case may be, the Company shall deliver, or cause to be delivered, to the Underwriter a copy of each of the Preliminary Prospectus and Final Prospectus, signed by the Company as required by Canadian Securities Laws.
- (b) The Company shall deliver without charge to the Underwriter, at those delivery points in the Qualifying Jurisdictions as the Underwriter may reasonably request, as soon as practicable and in any event in the City of Toronto no later than 12:00 p.m. (Toronto time) on the first Business Day after, and to other cities no later than the second Business Day after, each of the Preliminary Receipt and the Final Receipt as applicable, are obtained in each of the Qualifying Jurisdictions under the Passport System, and thereafter from time to time during the distribution of the Offered Units, in such cities as the Underwriter shall notify the Company, as many commercial copies of the Preliminary Prospectus and the Final Prospectus (and in the event of any amendment to a Prospectus, such amendment) as the Underwriter may reasonably request for the purposes contemplated under Canadian Securities Laws. The Company will similarly cause to be delivered to the Underwriter, in such cities as the Underwriter may reasonably request, commercial copies of any Supplementary Material required to be delivered to Purchasers or prospective Purchasers. Each delivery of the Preliminary Prospectus, the Final Prospectus, or any Supplementary Material will have constituted and constitute the Company's consent to the use of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material by the Underwriter for the distribution of the Offered Units in compliance with the provisions of this Agreement and Canadian Securities Laws.
- (c) Concurrently with the filing of the Final Prospectus with the Canadian Securities Commissions, the Company shall deliver to the Underwriter and its counsel a "long form" comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Underwriter, acting reasonably, addressed to the Underwriter and the directors of the Company from the Company's Auditors with respect to the financial statements and notes thereto, auditors' reports, summary and selected financial information, management's discussion and analysis of financial condition and results of operations, consolidated capitalization and other numerical data contained, or incorporated by reference, in the Final Prospectus (collectively, the "**Financial Information**"), which letter shall be based on a review by the Company's Auditors within a cut-off date of not more than two Business Days prior to the date of the letter, which letter shall be in addition to the consent letter of the Company's Auditors addressed to the Canadian Securities Commissions.
- (d) Prior to the filing of the Final Prospectus with the Canadian Securities Commissions, the Company shall deliver to the Underwriter copies of all correspondence from the Exchange indicating that the applications for the listing and posting for trading on the Exchange of the Unit Shares, Warrant Shares and Compensation Option Shares has been approved or conditionally approved.

- (e) If applicable, the Company shall also prepare and deliver promptly to the Underwriter signed copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material, the Company shall deliver to the Underwriter, with respect to such Supplementary Material, opinions substantially similar to the opinions referred to in Section 7 and comfort letters from the Company's Auditors substantially similar to the letters referred to in Section 3(c).
- (f) Delivery of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material by the Company shall constitute the representation and warranty of the Company to the Underwriter that, as at their respective dates:
 - (i) all information and statements (except Underwriter's Information) contained in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be, are true and correct as at the respective dates of filing, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company and the Offered Securities;
 - (ii) no material fact or information (except in respect of the Underwriter's Information) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and
 - (iii) such documents (except Underwriter's Information) comply with the requirements of Canadian Securities Laws, as applicable.

Such deliveries shall also constitute the Company's consent to the Underwriter's and any Selling Firm's use of the Offering Documents in connection with the distribution of the Offered Securities in compliance with this Agreement.

- (g) During the period commencing on the date hereof and until completion of the distribution of the Offered Units, the Company will promptly provide to the Underwriter drafts of any press releases of the Company for review by the Underwriter and the Underwriter's counsel prior to issuance, and will not publish those press releases (unless otherwise required by Canadian Securities Laws) except with the prior approval of the Underwriter, which approval will not be unreasonably withheld or delayed. Any press release disseminated during the period commencing hereof and until completion of the distribution of the Offered Units shall contain the following legend: "NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES."

As well as substantially the following language:

"The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any U.S. state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. persons" (as such term is defined in Regulation S under the 1933 Act) without registration under the 1933 Act and all applicable state securities laws or compliance with the

requirements of an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities to, for the account or benefit of, persons in the United States or U.S. persons, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.”

- (h) During the distribution of the Offered Units, the Company and the Underwriter shall approve in writing (prior to such time that marketing materials are provided to potential Purchasers) any marketing materials reasonably requested to be provided by the Underwriter to any potential Purchaser, such marketing materials shall comply with Canadian Securities Laws. The Company shall file a template version of such marketing materials with the Canadian Securities Commissions as soon as reasonably practicable after such marketing materials are so approved in writing by the Company and the Underwriter, and in any event on or before the day such approved marketing materials are first provided to any potential Purchaser, and such filing shall constitute the Underwriter’s authority to use such marketing materials in connection with the Offering. The Company confirms that it filed the Term Sheet with the Canadian Securities Commissions on the same day as the date of the Bid Letter. Any comparables shall be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Canadian Securities Commissions and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Canadian Securities Commissions by the Company.
- (i) The Company and the Underwriter, on a several basis, covenant and agree:
 - (i) not to provide any potential Purchaser with any marketing materials unless a template version of such marketing materials has been approved in writing and filed by the Company with the Canadian Securities Commissions on or before the day such marketing materials are first provided to any potential Purchaser; and
 - (ii) other than the Marketing Materials (or such other materials as are required to be delivered to a potential Purchaser under Canadian Securities Laws), not to provide any potential Purchaser with any materials or information in relation to the distribution of the Offered Securities or the Company other than (A) such marketing materials that have been approved and filed in accordance with Section 3(i)(i), (B) the Preliminary Prospectus and the Final Prospectus, and (C) any standard term sheets approved in writing by the Company and the Underwriter.

4. **Material Changes.**

- (a) During the period from the date hereof until the Underwriter notifies the Company of the completion of the distribution of the Offered Securities in accordance with its obligations in Section 2(e), the Company shall promptly inform the Underwriter (and if requested by the Underwriter, confirm such notification in writing) of the full particulars of:
 - (i) any material change (actual, anticipated, contemplated, threatened, proposed, financial or otherwise) in the assets (including intangible assets), liabilities

(contingent or otherwise), Business, financial condition, affairs, operations, prospects or capital or ownership of the Company or any Subsidiary;

- (ii) any material fact which has arisen or has been discovered or any new material fact that 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;
 - (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) contained or incorporated by reference in the Offering Documents or whether any event or state of facts has occurred after the date hereof, which, in any case, is, or may be, 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 or incorporating by reference therein 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 not misleading in the light of the circumstances in which it was made, or which could result in any of the Offering Documents not complying with the Canadian Securities Laws; or
 - (iv) any notice by any governmental, judicial or regulatory authority requesting any material information, or meeting or hearing, relating to the Company or any Subsidiary or the Offering.
- (b) The Company covenants to comply with Section 57 of the Ontario Act and with the comparable provisions of the other Canadian Securities Laws, and the Company will prepare and file promptly any Supplementary Material which may be necessary.
- (c) During the period commencing on the date hereof until the Underwriter notifies the Company of the completion of the distribution of the Offered Securities, the Company will promptly inform the Underwriter in writing of the full particulars of:
- (i) any request of any Canadian Securities Commission for any amendment to any Offering Document, Disclosure Document or for any additional information in respect of the Offering or the Company;
 - (ii) the receipt by the Company of any material communication, whether written or oral, from any Canadian Securities Commission, the Exchange, OTCQX, Frankfurt Stock Exchange or any other competent authority, relating to the Preliminary Prospectus, the Final Prospectus, any Supplementary Material or the distribution of the Offered Securities or the Company;
 - (iii) any notice or other correspondence received by the Company from any Governmental Authority and any requests from such bodies for information, a meeting or a hearing relating to the Company, any Subsidiary, the Offering, the issue and sale of the Offered Securities or any other event or state of affairs that

could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or

- (iv) the issuance by any Canadian Securities Commission, the Exchange or the OTCQX or any other competent authority, including any other Governmental Authority, of any order to cease or suspend trading or distribution of any securities of the Company (including the Offered Units, Unit Shares, Warrants, Warrant Shares, Compensation Options and Compensation Option Shares) or of the institution, threat of institution of any proceedings for that purpose or any notice of investigation that could potentially result in an order to cease or suspend trading or distribution of any securities of the Company (including the Offered Units, Unit Shares, Warrants, Warrant Shares, Compensation Options and Compensation Option Shares).
- (d) In addition to the provisions of Sections 4(a), 4(b) and 4(c), the Company shall in good faith discuss with the Underwriter any change, event or fact contemplated in Sections 4(a), 4(b) and 4(c) which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Underwriter under Section 4(a) and shall consult with the Underwriter with respect to the form and content of any amendment or other Supplementary Material proposed to be filed by the Company, it being understood and agreed that no such amendment or other Supplementary Material shall be filed with any securities regulatory authority prior to the review thereof by the Underwriter and the Underwriter's counsel, acting reasonably and without delay (unless otherwise required by Canadian Securities Laws).
- (e) If during the period of distribution of the Offered Units there shall be any change in Canadian Securities Laws which, in the opinion of the Underwriter, acting reasonably, requires the preparation or filing of any Supplementary Material, upon written notice from the Underwriter, the Company shall, to the satisfaction of the Underwriter, acting reasonably, promptly prepare and file any such Supplementary Material in the English language and in the French language, with the appropriate securities regulatory authority where such filing is required under Canadian Securities Laws.

5. **Representations and Warranties of the Company.**

The Company represents and warrants to the Underwriter, and acknowledges that the Underwriter is relying upon such representations and warranties in connection with the completion of the Offering, that as of the date hereof:

- (a) each of the Company and the Subsidiaries: (A) is a corporation or limited liability company duly incorporated, continued or amalgamated and validly existing in good standing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be; (B) has all requisite corporate power and authority and is duly qualified and holds all Authorizations necessary or required to carry on its Business as now conducted and to own, lease or operate its properties (including the Leased Premises and Owned Real Property) and assets, including the Business Assets; (C) where required, has been duly qualified as an extra-provincial corporation or foreign corporation for the transaction of

business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts Business; and (D) no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;

- (b) the Company has all requisite corporate power, authority and capacity to (i) enter into each of the Transaction Documents and to perform the transactions contemplated herein and therein, including, without limitation, to issue the Offered Securities and the Compensation Options and all securities issuable upon exercise of such securities, and (ii) execute and deliver the Preliminary Prospectus, the Final Prospectus, and the Marketing Materials, and to file each of them with the Canadian Securities Commissions in the Qualifying Jurisdictions;
- (c) the Company's only subsidiaries are listed in Schedule "A", which schedule is true, complete and accurate in all respects. Each Subsidiary is formed, organized and existing under the laws of the jurisdiction set out in Schedule "A", is current and up to date with all material filings required to be made and is in good standing in each jurisdiction in which such qualification is required in all material respects. All of the issued and outstanding shares in the capital of the Subsidiaries have been duly authorized and validly issued, are fully paid and are directly or indirectly beneficially owned by the Company in the amounts set forth in Schedule "A". All of the issued and outstanding shares in the capital of the Subsidiaries owned by the Company are owned free and clear of any Liens (other than any Liens under the Credit Agreement), and none of the outstanding securities of the Subsidiaries were issued in violation of the pre-emptive or similar rights of any security holder of the Subsidiaries. Other than pursuant to the exercise of Liens under the Credit Agreement, there exist no options, warrants, purchase rights, or other contracts or commitments that could require the Company to sell, transfer or otherwise dispose of any securities of the Subsidiaries;
- (d) the Company and the Subsidiaries have obtained, are in compliance with, have complied with and will continue to comply with, in all material respects, all Applicable Laws, including all Authorizations. Each of the Company and the Subsidiaries holds all Authorizations necessary or appropriate for carrying on its Business as currently carried on and all such Authorizations issued to date are valid and in full force and effect and neither the Company nor any Subsidiary has received any correspondence or notice from any Governmental Authority alleging or asserting non-compliance with any Applicable Law or Authorization (except for any non-compliance that is immaterial to the Company and its Subsidiaries individually or in the aggregate). Without limiting the generality of the foregoing, neither the Company nor any Subsidiary has received any notice of proceedings or actions relating to the revocation, suspension, limitation or modification of any Authorizations or any notice advising of the refusal to grant any Authorization that has been applied for or is in process of being granted under Applicable Law, and has no knowledge or reason to believe that any such Governmental Authority is considering taking or would have reasonable ground to take any such action. Neither the Company nor any Subsidiary is aware of any material non-compliance with any Applicable Law by the Company or any Subsidiary;

- (e) the Company and its Subsidiaries are in compliance (except for any non-compliance that is immaterial to the Company and its Subsidiaries individually or in the aggregate) with the Authorizations and all related material documents and correspondence issued to the Company or any Subsidiary by any Governmental Authority. The Company does not anticipate any material variations or difficulties in obtaining, maintaining or renewing such Authorizations. The transactions contemplated herein (including the proposed use of proceeds from the Offering) will not have any adverse impact on the Authorizations or require the Company or any Subsidiary to obtain any new Authorization under the Applicable Laws;
- (f) the Company is in compliance in all material respects with all of the rules, policies and requirements of the Exchange and the Common Shares are currently listed on the Exchange and quoted on the OTCQX and the Frankfurt Stock Exchange, and on no other stock exchange or public market;
- (g) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, contemplated or threatened by any regulatory authority;
- (h) the Company is currently a “reporting issuer” in each of the provinces and territories of Canada 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 Canadian Securities Commission, is current with all filings required to be made by it under Canadian Securities Laws and other laws, is not aware of any deficiencies in the filing of any documents or reports with any Canadian Securities Commissions and there is no material change relating to the Company which has occurred and with respect to which the requisite news release or material change report has not been filed with the Canadian Securities Commissions, except to the extent that the Offering constitutes a material change;
- (i) the Company has not filed any confidential material change report with the Canadian Securities Commissions that has not been made public;
- (j) the Company is qualified under NI 44-101 to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to Canadian Securities Laws;
- (k) the Company has not completed any “significant acquisition” within the meaning of NI 51-102) and is not proposing any “probable acquisitions” (within the meaning of such term under NI 44-101F1) that would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus or the filing of a business acquisition report pursuant to Canadian Securities Laws;
- (l) neither the Company nor its Subsidiaries has any investment in any person or any agreement, option or commitment to acquire any such investment, except as disclosed in the Offering Documents;

- (m) the Company and the Subsidiaries have good, valid and marketable title to, and have all necessary rights in respect of, all of their Business Assets as owned, leased, licensed, loaned, operated or used by them or over which they have rights, free and clear of Liens, other than the Liens described in the Financial Statements, and no other rights or Business Assets are necessary for the conduct of the Business as currently conducted. The Company knows of no claim or basis for any claim that would reasonably be likely to result in a Material Adverse Effect on the rights of the Company or the Subsidiaries to use, transfer, lease, licence, operate, sell or otherwise exploit such Business Assets and, other than as described in the Offering Documents, neither the Company nor any Subsidiary has any obligation to pay any commission, licence fee or similar payment to any person in respect thereof and there are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the rights, title or interests in such Business Assets;
- (n) there are no material actions, suits, claims judgments, investigations or proceedings of any kind whatsoever outstanding or pending or, to the Company's knowledge, contemplated or threatened against or affecting the Company or any Subsidiary, or the directors, officers or employees of the Company or any Subsidiary, at law or in equity or before or by any Governmental Authority, commission, board, bureau or agency of any kind whatsoever and, to the best of the Company's knowledge, there is no basis therefor and neither the Company nor any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, including any allegations or assertions of any liability under, any non-compliance with, or that any product, operation or activity is in violation of any Health Care Laws or challenging the Company's or any of its Subsidiaries' rights in or to any Intellectual Property or, except for the Metoject Litigation (as defined and described in the Company's most recent annual information form that is incorporated by reference in the Prospectus), the validity or enforceability of any Intellectual Property;
- (o) all of the Material Agreements of the Company and of the Subsidiaries have been disclosed in the Offering Documents and each is valid, subsisting, in good standing in all material respects and in full force and effect, enforceable in accordance with the terms thereof. The Company and the Subsidiaries have performed all obligations (including payment obligations) in a timely manner under, and are in material compliance with, all terms, conditions and covenants (including all financial maintenance covenants) contained in each Material Agreement;
- (p) none of the Company or its Subsidiaries is in violation of its respective constating documents or in default in any material respect in the performance or observance of any material obligation, Material Agreement, covenant (including all financial maintenance covenants) or condition contained in any contract, Debt Instrument, indenture, trust deed, mortgage, loan agreement, note, lease, licence or other agreement or instrument to which it is a party or by which it or its property or assets may be bound;
- (q) to the knowledge of the Company, and except as disclosed in writing to the Underwriter, no counterparty to any material obligation, Material Agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease,

Debt Instrument or other agreement or instrument to which the Company or any Subsidiary is a party is in default in the performance or observance thereof;

- (r) there are no judgments against the Company or any Subsidiary which are unsatisfied, nor are there any consent decrees or injunctions to which the Company or any Subsidiary is subject;
- (s) neither of the Company nor any of its Subsidiaries has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any Lien or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it;
- (t) at the Closing Time and any Over-Allotment Closing Time, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Company under Canadian Securities Laws and the policies of the Exchange necessary for the execution and delivery of the Transaction Documents and the creation, issuance and sale, as applicable, of the Offered Securities and the Compensation Options and the securities issuable upon exercise thereof, and the consummation of the transactions contemplated thereby, will have been made or obtained, as applicable (other than the filing of post-Closing reports required under Canadian Securities Laws within the prescribed time periods, the filing of standard documents with the Exchange, which documents shall be filed as soon as practicable after the Closing Date and the Over-Allotment Closing Date and, in any event, within 10 calendar days of the Closing Date, the Over-Allotment Closing Date or within such other deadline imposed by Canadian Securities Laws or the policies of the Exchange);
- (u) the Offered Securities, the Compensation Options, the Warrant Shares and the Compensation Option Shares have been authorized and reserved and allotted for issuance, as applicable;
- (v) at the Closing Time and any Over-Allotment Closing Time, the Offered Securities and the Compensation Options will be duly and validly issued and created, and in the case of the Unit Shares will be issued as fully paid and non-assessable Common Shares, on payment of the purchase price therefor in accordance with this Agreement;
- (w) upon the due exercise of the Compensation Options in accordance with the provisions thereof, the Compensation Option Shares issuable upon the exercise thereof will be duly and validly issued and will be issued as fully paid and non-assessable Common Shares, on payment of the purchase price therefor in accordance with the Compensation Option Certificates;

- (x) upon the due exercise of the Warrants in accordance with the provisions thereof, the Warrant Shares issuable upon the exercise thereof will be duly and validly issued as fully paid and non-assessable Common Shares, on payment of the purchase price therefor in accordance with the Warrant Indenture;
- (y) the execution and delivery of each of the Transaction Documents, the performance by the Company of its obligations hereunder or thereunder, the issue and sale of the Offered Securities and the issue of the Compensation Options hereunder and the consummation of the transactions contemplated in this Agreement, 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 Applicable Laws, including, without limitation, the CBCA and Canadian Securities Laws; (B) the constating documents, by-laws or resolutions of the Company which are in effect at the date hereof; (C) any Material Agreement, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound which, either separately or in the aggregate, may have a Material Adverse Effect; or (D) any judgment, decree or order binding the Company or the property or assets of the Company;
- (z) at the Closing Time and any Over-Allotment Closing Time, the Company shall have duly authorized and (other than the Warrant Share certificates and the Compensation Option Share certificates,) executed and delivered the Transaction Documents and upon such execution and delivery (and subsequent execution and delivery of the Warrant Share certificates and Compensation Option Share certificates) each shall constitute a valid and binding obligation of such Company and each shall be enforceable against such Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (aa) all necessary notices and filings have been or will be made by the Company with the Exchange to ensure that the Unit Shares, Warrant Shares and Compensation Option Shares will be listed and posted for trading on the Exchange upon their issuance;
- (bb) the Financial Statements (including the notes thereto) contained or incorporated by reference in the Preliminary Prospectus, and the consolidated Financial Statements (including the notes thereto) that will be contained or incorporated by reference in the Final Prospectus will, (i) present fairly, in all material respects, the financial position, results of operations, cash flows, changes in equity, and all of the assets and liabilities of the Company, in each case on a consolidated basis, for the periods ended on, and as at, the dates indicated therein, (ii) have been prepared in accordance with IFRS consistently applied throughout the periods involved and applicable Canadian Securities Laws, (iii) be, in all material respects, consistent with the books and records of the Company, (iv) contain and reflect all material adjustments for the fair presentation of the results of operations and the financial position of the business of the Company for the periods covered thereby and (v) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Company and the Company is not aware of any fact

or circumstance presently existing which would render any of the financial information contained therein materially incorrect;

- (cc) the Financial Data contained or incorporated by reference in the Preliminary Prospectus is, and the Financial Data that will be contained or incorporated by reference in the Final Prospectus or any Supplementary Material will be, presented fairly in all material respects, and such Financial Data contains or will contain, as the case may be, no misrepresentation and was or will be, as the case may be, compiled on a basis consistent with the Financial Statements incorporated by reference in the Final Prospectus from which they were derived;
- (dd) the statistical, industry and market related data included in the Offering Documents are derived from sources which the Company reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;
- (ee) there are no material liabilities of the Company or the Subsidiaries 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;
- (ff) there are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Company or the Subsidiaries with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, changes in financial condition, results of operations, earnings, cash flow, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any Subsidiary or that would reasonably be expected to be material to an investor in making a decision to purchase the Offered Securities;
- (gg) all forward-looking information and statements of the Company contained in the Offering Documents and the assumptions underlying such information and statements, subject to any qualifications contained therein, are reasonable in the circumstances as at the date on which such assumptions were made;
- (hh) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, sales taxes, valued added taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, reassessments, deductions, charges or withholdings and other charges or assessments of any kind whatsoever imposed by a Governmental Authority and all liabilities imposed by that Governmental Authority with respect thereto including any penalty and interest payable with respect thereto (collectively, "Taxes") due and payable by the Company and the Subsidiaries have been paid or accrued, or where applicable charged, collected and remitted, on a timely basis. All tax returns, declarations, remittances and filings in respect of Taxes required to be remitted or filed by the Company and the Subsidiaries have been remitted or filed with all appropriate Governmental Authorities when due 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. To the knowledge of the Company, no examination of any Tax return of the Company or a Subsidiary is currently in progress 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 Company or the Subsidiaries;

- (ii) to the knowledge of the Company, the Company's Auditors are independent public accountants as required under Canadian Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Company and such auditors or, to the knowledge of the Company, any former auditors of the Company;
- (jj) the responsibilities and composition of the Company's audit committee comply with National Instrument 52-110 – *Audit Committees*;
- (kk) the Company maintains a system of internal accounting controls which is sufficient to provide reasonable assurance that, in all material respects:
 - (i) transactions are executed in accordance with management's general or specific authorization;
 - (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; and
 - (iii) access to assets is permitted only in accordance with management's general or specific authorization;
- (ll) other than as disclosed in the Financial Statements, the Company is not party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument and does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with the Company (as such term is defined in the Tax Act). The Company has not guaranteed the obligations of any person other than a wholly-owned Subsidiary;
- (mm) during the previous 12 months, the Company has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do any of the foregoing in each case except in accordance with the terms of the relevant securities and as disclosed in the Prospectus;
- (nn) the Business Assets of each of the Company and the Subsidiaries and their businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and none of the Company or the Subsidiaries has breached the terms of any policies in respect thereof or failed to promptly give any notice or present any material claim thereunder;
- (oo) the Company and/or the Subsidiaries own, or have obtained valid and enforceable licenses for, or other rights to use, the Intellectual Property including the Intellectual Property

described in the Disclosure Documents; to the knowledge of the Company, the Company and/or any Subsidiary does not lack or will not be unable to obtain any rights or licenses to use any Intellectual Property (including the commercialization of the Company's Products and services candidates) as described in the Offering Documents; no third parties have rights to any Intellectual Property, except for Licensed IP and except for any licenses of use granted by the Company and/or any Subsidiary therein; there is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or claim by others challenging the validity or enforceability of any Owned Intellectual Property or the Company's or any Subsidiary's rights in or to any Intellectual Property or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect to Owned Intellectual Property, to the knowledge of the Company, there are no facts which form a reasonable basis for any such claim, and there has been no finding of unenforceability or invalidity of the Owned Intellectual Property; to the knowledge of the Company, there is no patent or published patent application that contains claims that interfere with the issued or pending claims of any of the Intellectual Property of the Company or any Subsidiary; and, there is no prior art that necessarily renders any patent application owned by the Company or any Subsidiary unpatentable that has not been disclosed to the US Patent and Trademark Office or any similar office in Canada or any other jurisdiction, the Company and any Subsidiary's rights in the Owned Intellectual property are valid, subsisting and enforceable;

- (pp) the Company and/or the Subsidiaries are the legal and beneficial owners of, have good and marketable worldwide title to, and own all right, title and interest in and to all Owned Intellectual Property free and clear of all Liens (other than Liens created under the Credit Agreement) or adverse interests whatsoever, covenants, conditions, options to purchase and restrictions or other adverse claims of any kind or nature and other than the Licensed IP, no consent of any person is necessary to make, use, reproduce, license, sell, modify, update, enhance or otherwise exploit any Intellectual Property and none of the Owned Intellectual Property comprises an improvement to Licensed IP that would give any person any rights to any such Intellectual Property, including, without limitation, rights to license any such Intellectual Property;
- (qq) the Company and its Subsidiaries have used commercially reasonable efforts to maintain and protect the secrecy, confidentiality and proprietary nature of all Owned Intellectual Property ,including making filings and payments of registration, maintenance, renewal or similar fees; all former and current employees, consultants and contractors that who have contributed in any manner to the creation or development of any Owned Intellectual Property have duly executed and delivered written contracts which operate to: (i) assign, without additional consideration, all right, title and interest in and to any such Intellectual Property to the Company and/or a Subsidiary; and (ii), waive any moral rights in writing in favour of any of the Company, the Subsidiaries and their successors, assignees or licensees; there are no pending or threatened oppositions, cancellations, invalidity proceedings, interferences or re-examination proceedings pending with respect to any Owned Intellectual Property;
- (rr) to the knowledge of the Company, the conduct of the Business (including, without limitation, the sale of their respective Products and services, or the use or other exploitation

of the Intellectual Property by the Company, the Subsidiaries or any customers, distributors or other licensees thereof) has not infringed, violated, misappropriated or otherwise conflicted with any intellectual property of any person; there is no pending or threatened action, suit, proceeding or claim by others alleging that any current or proposed conduct of their respective businesses (including, without limitation, the sale of their respective Products and services, or use or other exploitation of any Intellectual Property by the Company, the Subsidiaries or any customers, distributors or other licensees) infringes, violates, misappropriates or otherwise conflicts with (or would infringe, violate, misappropriate or otherwise conflict with) any Intellectual Property of others, and the Company has no knowledge of any facts which form a reasonable basis for any such claim;

- (ss) other than as disclosed in the Disclosure Documents, to the knowledge of the Company, no person has infringed or misappropriated, or is infringing or misappropriating, any rights of the Company and/or any Subsidiary in or to the Owned Intellectual Property;
- (tt) the Company has entered into valid and enforceable written agreements pursuant to which the Company has been granted all licenses and permissions to use, reproduce, sub-license, sell, modify, update, enhance or otherwise exploit the Licensed IP to the extent required for the conduct of the Business as currently conducted or as proposed to be conducted (including, if required, the right to incorporate such Licensed IP into the Owned Intellectual Property). All license agreements in respect to Licensed IP are in full force and effect and none of the Company, any of the Subsidiaries or to the knowledge of the Company, any other person, is in default of its obligations thereunder;
- (uu) to the extent that any of the Intellectual Property is licensed or disclosed to any person or any person has access to such Intellectual Property (including but not limited to any employee, officer, shareholder, consultant, systems-integrator, distributor, Material Agreement counterparty, or other customer of the Company or any of the Subsidiaries), the Company has entered into a valid and enforceable written agreement which contains terms and conditions prohibiting the unauthorized use, reproduction, disclosure or transfer of such Intellectual Property by such person. Other than such agreements that have expired in accordance with their respective terms, all such agreements are in full force and effect and none of the Company, any of the Subsidiaries or, to the knowledge of the Company, any other person, is in default of its obligations thereunder except for any default which is immaterial;
- (vv) there are no material restrictions on the ability of the Company or any of the Subsidiaries to use or exploit all rights in the Intellectual Property, as applicable. None of the rights of the Company or any Subsidiary in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;
- (ww) all registrations of Intellectual Property are in good standing and are recorded in the name of the Company or one of the Subsidiaries, or in the name of the parties that have licensed that Intellectual Property to the Company or the Subsidiaries, as applicable, in the appropriate offices to preserve the rights thereto. All such registrations have been filed, prosecuted and obtained, in all material respects in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal

requirements. No registration of material Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, all applications for registration of any Owned Intellectual Property have been properly filed and have been pursued by the Company and the Subsidiaries in the ordinary course of business, and neither the Company nor any of the Subsidiaries has received any notice (whether written, oral or otherwise) indicating that any application for registration of the Owned Intellectual Property has been finally rejected or denied by the applicable reviewing authority;

- (xx) except for the Convertible Debentures (as defined in the Prospectus), none of the directors, officers or employees of the Company or the Subsidiaries, any person who owns, directly or indirectly, more than 10% of any class of securities of the Company or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Company which, as the case may be, materially affects, is material to or will materially affect the Company or the Subsidiaries;
- (yy) the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company or the Subsidiaries;
- (zz) other than non-competition covenants entered into in the ordinary course of business, none of the Company or any of the Subsidiaries is a party to, bound by or, to the knowledge of the Company, affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of the Company or the Subsidiaries 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 Company or the Subsidiaries;
- (aaa) each of the Company and its Subsidiaries is currently in compliance, in all material respects, with all Environmental Laws and there are no pending or, to the knowledge of the Company, threatened material administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws. Neither the Company nor its Subsidiaries has ever received any notice of any material non-compliance in respect of Environmental Laws, there are no events or circumstances that might reasonably be expected to form the basis of a material order for clean up or remediation under Environmental Laws or relating to any Hazardous Materials. No Environmental Authorizations are required for the Company or its Subsidiaries to carry on its Business. The Business of the Company and its Subsidiaries are currently being conducted, and have been conducted, in all material respects in accordance with all Environmental Law and at all times have been, in compliance in all material respects with the terms and conditions of any applicable Environmental Authorizations;
- (bbb) each of the Company and its Subsidiaries is currently in compliance, in all material respects, with all Health Care Laws and there are no pending or, to the knowledge of the Company, threatened material administrative, regulatory or judicial actions, suits,

demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Health Care Laws. Neither the Company nor its Subsidiaries has ever received any notice of any material non-compliance in respect of Health Care Laws and there are no events or circumstances that might reasonably be expected to form the basis of such notice of non-compliance. Each of the Company and the Subsidiaries has all Health Care Authorizations required to carry on its Business as presently carried on and is in compliance with any material requirements thereof. The Business of the Company and its Subsidiaries are currently being conducted, and have been conducted, in all material respects in accordance with all Health Care Laws. The Company and its Subsidiaries are, and at all times have been, in compliance in all material respects with the terms and conditions of all Health Care Authorizations. The Company does not anticipate any material variations or difficulties in obtaining, maintaining or renewing such Health Care Authorizations. The transactions contemplated herein (including the proposed use of proceeds from the Offering) will not have any adverse impact on the Health Care Authorizations or require the Company or any Subsidiary or any entity in which the Company has an interest to obtain any new Authorization under any Applicable Law;

- (ccc) each Product has been and is being tested, investigated, manufactured, stored, packaged, imported, exported, distributed and marketed, and the Company has taken commercially reasonable efforts to ensure that each Product has been and is being developed, in compliance in all material respects with all Health Care Laws and all other applicable legal requirements, including those regarding non-clinical testing, clinical research, good manufacturing practices, labeling, advertising, record-keeping, adverse event reporting and reporting of corrections and recalls;
- (ddd) none of the Company or any of its Subsidiaries has voluntarily or involuntarily initiated, conducted or issued, or caused to be initiated, conducted or issued, any recalls, market withdrawals, safety alerts or other notice of material action relating to an actual or potential lack of safety, efficacy or the non-compliance with Health Care Laws of any Product;
- (eee) all clinical and pre-clinical studies related to the development of the Products conducted by or on behalf of the Company, have been conducted, and to the extent they are still pending are currently being conducted, in accordance with accepted medical, scientific and ethical research procedures and all Applicable Laws, and the Company has taken commercially reasonable efforts to ensure that all clinical and pre-clinical studies related to the development of the Products conducted other than by or on behalf of the Company, have been conducted, and to the extent they are still pending are currently being conducted, in accordance with accepted medical, scientific and ethical research procedures and all Applicable Laws;;
- (fff) none of the Company or any of its Subsidiaries is subject to any obligation arising under an administrative or regulatory action, inspection, warning letter, notice of violation letter, or other written notice, response or commitment made to or with the United States Food and Drug Administration, Health Canada or any other Governmental Authority, and to Company's knowledge, no such proceedings have been threatened;

- (ggg) each of the Company and its Subsidiaries (i) is in compliance in all material respects with all applicable federal, state and local laws and regulations regarding the confidentiality and security of health related information, including, but not limited to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as it may be amended from time to time, and the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009 and as it may be amended (the “HITECH Act”) (collectively, “HIPAA”), and the requirements of all regulations thereunder, including without limitation the regulations codified at 45 CFR Parts 160 and 164 and (ii) maintains privacy and security policies, procedures and safeguards that comply in all material respects with all applicable HIPAA requirements;
- (hhh) none of the Company or any of its Subsidiaries has (i) experienced “a breach of unsecured protected health information” (as defined in 45 C.F.R. § 164.402), (ii) been legally required under HIPAA or any other federal, state or local data privacy law to provide notice to any individuals, customers, third parties, or Governmental Authorities regarding any such breach, or (iii) to the knowledge of the Company, been under investigation by any Governmental Authority for a violation of HIPAA or any other federal, state and local data privacy law, except as would not be material to the Company and its Subsidiaries, taken as a whole;
- (iii) none of the Company or any of its Subsidiaries, and to the Company’s knowledge none of its or its Subsidiaries’ officers, directors, and employees (i) are or have been a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement, compliance undertaking or other formal agreement or settlement with any Governmental Authority concerning compliance with Health Care Laws; (ii) have made any filings in the United States or Canada pursuant to Health Care Laws self-disclosure protocol; (iii) have been a defendant in any action, or received a threat of any action, brought under any whistleblower law; and (iv) have been served with or received any written search warrant, subpoena (other than those related to actions against third parties), civil investigative demand or contact letter from a Governmental Authority;
- (jjj) the responses given by the Company and its officers at all oral due diligence sessions conducted by the Underwriter in connection with the Offering, as they relate to matters of fact, have been and shall continue to be true and correct in all material respects as at the time such responses have been or are given, as the case may be, and such responses taken as a whole have not omitted and 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 or shall be given, as the case may be; and where the responses reflect the opinion or view of the Company or its officers (including responses or portions of such responses which are forward-looking or otherwise relate to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable at the time they are given;
- (kkk) all Products manufactured, marketed or sold, and services provided to customers, in whole or in part, by the Company or any Subsidiary and all component parts which are supplied to the Company or any Subsidiary are, to the best of the Company’s knowledge,

manufactured or provided in full compliance with and meet industry specific standards under the Applicable Laws which pertain to the Business of the Company and each Subsidiary and the Company's and each Subsidiary's Products and services have met and satisfied all product safety standards under Applicable law necessary to permit the sale of the Company's and each Subsidiary's Products and services in the jurisdictions in which they are sold;

- (III) the authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares in the capital of the Company and as at the date hereof (prior to the completion of the Offering), 20,484,739 Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company and nil preferred shares are issued and outstanding. Other than as disclosed in the Financial Statements, there are no outstanding rights, warrants, options, convertible debt or any other securities or rights capable of being converted into, or exchanged or exercised for, any Common Shares;
- (mmm) Odyssey Trust Company, at its principal offices in Toronto, Ontario, has been duly appointed as registrar and transfer agent for the Common Shares;
- (nnn) the Warrant Agent will be, as of the Closing Date, duly appointed as Warrant Agent under the Warrant Indenture;
- (ooo) the issue of the Offered Securities and the Compensation Options and issuance and delivery of the Unit Shares, Warrants, Warrant Shares and Compensation Option Shares, as applicable, will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Company or to which the Company is subject that has not been waived. No holder of outstanding shares in the capital of the Company is at the Closing Time or will be following the Closing Time entitled to any pre-emptive or any similar rights to subscribe for any Common Shares or other securities of the Company;
- (ppp) with respect to each of the Leased Premises, the Company and the Subsidiaries, as applicable, occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises as currently used by the Company and the Subsidiaries, and each of the leases pursuant to which the Company or any Subsidiary, as applicable, occupies the Leased Premises is in good standing and in full force and 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 Company, 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;
- (qqq) no real property is owned by the Company or the Subsidiaries other than the Owned Real Property;
- (rrr) the buildings, structures, vehicles, equipment, technology and communications hardware and other tangible personal property owned or leased by the Company or its Subsidiaries are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. None of

such buildings, structures, vehicles, equipment or other property are in need of maintenance or repairs except for routine maintenance and repairs in the ordinary course that are not material in nature or cost;

- (sss) none of the Company or the Subsidiaries has used or permitted the use of the Owned Real Property, the Leased Premises or any facility which it previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Materials except in compliance with Applicable Laws;
- (ttt) as of the date hereof, there are no past unresolved, pending or (to the knowledge of the Company) threatened claims, complaints, notices or requests for information with respect to any alleged violation of any law and no conditions exist at, on or under the Owned Real Property or any Leased Premises which, with the passage of time, or the giving of notice or both, would give rise to any material liability under any Applicable Law;
- (uuu) there are no environmental audits, evaluations, assessments, studies or tests relating to the Owned Real Property;
- (vvv) the Company and its Subsidiaries have good registered and marketable title to the Owned Real Property free of all Liens (except for any Liens under the Credit Agreement), and property rights (including access rights) as are necessary for the conduct of the business of the Company and its Subsidiaries as currently conducted or contemplated to be conducted, and there are no outstanding options or rights of first refusal to purchase the Owned Real Property or any portion thereof or interest therein;
- (www) the Company does not have knowledge of any claim or basis for any claim that might or could adversely affect the right of the Company to use, transfer or otherwise exploit the Owned Real Property or Leased Premises;
- (xxx) other than as publicly disclosed or publicly available, the Company is not aware of any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company 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 Company or any Subsidiary presently in force, that the Company anticipates the Company or any Subsidiary will be unable to comply with or which could reasonably be expected to materially adversely affect the business of the Company or any Subsidiary or the business environment or legal environment under which such entity operates;
- (yyy) (i) each of the Company and its Subsidiaries is in compliance, in all material respects, with the provisions of all Applicable Laws respecting employment and employment practices, terms and conditions of employment and wages and hours, (ii) no collective labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Company, threatened and no individual labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Company, threatened with any employee of the Company or its Subsidiaries and, to the knowledge of the Company, none

has occurred during the past year, and (iii) no union has been accredited or otherwise designated to represent any employees of the Company or its Subsidiaries and, to the knowledge of the Company, no accreditation request or other representation question is pending with respect to the employees of the Company or its Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the Company's or its Subsidiaries facilities and none is currently being negotiated by the Company or its Subsidiaries;

- (zzz) each plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Company or the Subsidiaries for the benefit of any current or former director, officer, employee or consultant (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans. Neither the Company nor the Subsidiaries has or had any pension plan (as such term is defined in the relevant legislation of the applicable jurisdiction);
- (aaaa) all accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and Employee Plan payments have been reflected in the books and records of the Company and the Subsidiaries;
- (bbbb) all information and statements which have been prepared or furnished by the Company relating to the Company, its Subsidiaries and their respective business, property and liabilities and made available to the Underwriter, including the Offering Documents and all financial, marketing, sales and operational information with respect to the Company and its Subsidiaries provided to the Underwriter was, as of the date of such information or statements 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 is or would have been necessary to make such information or statements not misleading in light of the circumstances under which such information was provided or statements were made, and such information and statements did not contain any misrepresentation;
- (cccc) the Company has not withheld from the Underwriter any material fact relating to the Company, any Subsidiary or to the Offering;
- (dddd) the minute books and corporate records of the Company and the Subsidiaries for the period from incorporation to the date hereof made available to the Underwriter 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 Company or the Subsidiaries to the date hereof not reflected in such corporate records;

- (eeee) other than the Underwriter, there is no person acting or purporting to act at the request or on behalf of the Company that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement;
- (ffff) other than the Company, there is no person that is or will be entitled to demand the proceeds of this Offering under the terms of any agreement or instrument to which the Company is party (including any Debt Instrument or Material Agreement) or otherwise;
- (gggg) the Company has not received any outstanding notices or communications from any customer or any applicable regulatory authority in the United States, Canada or abroad alleging a defect or claim in respect of any Products supplied or sold by the Company or any Subsidiary to a customer or relating to an actual or potential lack of safety, efficacy or non-compliance with Health Care Laws that is material to the Company or any Subsidiary and, to the Company'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 Company or any Subsidiary in respect of any products supplied or sold by the Company or any Subsidiary that is material to the Company or any Subsidiary;
- (hhhh) all research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Company and the Subsidiaries in connection with their Business is being conducted in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed Business, and all such processes, procedures and practices, required by Applicable Law in connection with such activities are in place as necessary and are being complied with, in all material respects;
- (iiii) each of the Company's and its Subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "**IT Systems**") are adequate for, and operate and perform in all material respects as required in connection with the operation of the Business of each of the Company and its Subsidiaries as currently conducted, free and clear of all bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants, except as would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect. Each of the Company and its Subsidiaries has implemented and maintained commercially reasonable controls, policies, procedures, and safeguards to maintain and protect its material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data ("**Personal Data**")) used in connection with their businesses, and to the knowledge of the Company, there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other Person, nor any incidents under internal review or investigations relating to the same. Each of the Company and its Subsidiaries is presently in compliance with Applicable Law, internal policies and contractual obligations relating to the privacy and security of IT Systems and Personal Data in all material respects and has taken commercially reasonable steps to protect such IT Systems and Personal Data from unauthorized use, access,

misappropriation or modification. Each of the Company and its Subsidiaries has taken all necessary actions to comply with the Canada's *Personal Information Protection and Electronic Documents Act* (and all other Applicable Laws and regulations with respect to Personal Data for which any non compliance with same would be reasonably likely to have a Material Adverse Effect);

- (jjjj) neither the Company nor its Subsidiaries nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or its Subsidiaries has: (i) violated the *Corruption of Foreign Public Officials Act* (Canada) (the "CFPOA") or the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, or the rules and regulations promulgated thereunder (the "FCPA") or other applicable anti-corruption laws, or (ii) offered, paid, promised to pay or authorized the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA, the CFPOA or other applicable anti-corruption law;
- (kkkk) the Company and its Subsidiaries have conducted their businesses in compliance with the FCPA, the CFPOA and other applicable anti-corruption laws. Neither the Company nor its subsidiaries nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or its subsidiaries has: (i) conducted or initiated any review, audit, or internal investigation that concluded the Company, any subsidiary, or any director, officer, employee, consultant, representative, affiliate or agent of the Company or any subsidiary violated such laws or committed any material wrongdoing; or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to noncompliance with any such laws, or received any notice, request, or citation from any person alleging non-compliance with any such laws;
- (llll) neither the Company nor its Subsidiaries nor any director, officer, employee, consultant, representative, affiliate or agent of the Company or any Subsidiary is a person ("**Sanctioned Person**") currently the target of any sanctions administered or enforced by the United States government, including, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), the Financial Transactions Reports Analysis Centre of Canada or other relevant sanctions authority (collectively, "**Sanctions**"), and the Company will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any Sanctioned Person, to fund any activities of or business with any Sanctioned Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or in any other manner that will result in a violation by any Sanctioned Person (including any Sanctioned Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions;
- (mmmm) the operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with any applicable financial recordkeeping and reporting requirements of the *Currency and Foreign Transactions Reporting Act of 1970*, as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*

(Canada) and international money laundering statutes, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Authority, authority or body or any arbitrator involving the Company or its subsidiaries with respect to the Money Laundering Laws is pending, or, to the knowledge of the Company, threatened;

- (nnnn) the attributes of the Offered Securities conform, in all material respects, with the description thereof contained under the heading “Description of Securities Being Distributed” in the Offering Documents;
- (oooo) no Offering Document contains a misrepresentation;
- (pppp) no supplier or customer (or group of suppliers or customers) that was or is significant to the Company or its Subsidiaries, has given the Company or its Subsidiaries notice or, to the Company’s knowledge, has taken any other action that has given the Company or its Subsidiaries any significant reason to believe that such supplier or customer (or group of suppliers or customers) will cease to supply or purchase, restrict the amount supplied or purchased, or adversely change its prices or terms to the Company of any products or services that are supplied or purchased that are material to the Company or its Subsidiaries;
- (qqqq) neither the Company nor any of its Subsidiaries has failed to file with Health Canada, the U.S. Food and Drug Administration or any Governmental Authority performing functions similar to those performed by Health Canada and the U.S. Food and Drug Administration, any filing, declaration, listing, registration, report or submission that is required to be so filed, except for any such failure(s) that would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect, and to the Company’s knowledge, there is no false or misleading information or material omission in any such filings;
- (rrrr) the form of the certificate representing the Offered Securities, Compensation Options, Warrant Shares and Compensation Option Shares have been or will be duly approved by the directors of the Company and complies with or will comply with Applicable Laws and, to the extent applicable, the rules and policies of the Exchange;
- (ssss) since March 31, 2023, the Company has carried on business in the ordinary course and, in each case, there has not been:
 - (i) any material adverse change in the Business Assets, liabilities or obligations (absolute, accrued, contingent or otherwise), Business, condition (financial or otherwise) or results of operations of the Company or the Subsidiary,
 - (ii) any material change in the share capital or long term debt of the Company or the Subsidiary, other than as disclosed in the Prospectus,
 - (iii) any adverse material change to the Company on a consolidated basis,

- (iv) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares in the capital of the Company or any direct or indirect redemption, purchase or other acquisition of any shares, or
- (v) any change in accounting or tax practices followed by the Company or the Subsidiaries;
- (tttt) as of the date of this Agreement and after giving effect to the Offering, the Company will have working capital and sources of funds sufficient to fund the operations of the Company and the Subsidiaries for at least 12 months from such date; and
- (uuuu) the Company and the Subsidiaries have established and maintain disclosure controls and procedures (as defined in Canadian Securities Laws) that: (i) are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under Canadian Securities Laws is recorded, processed, summarized and reported within the time periods specified in Canadian Securities Laws and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under Canadian Securities Laws is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure; (ii) have been evaluated by management of the Company for effectiveness in accordance with Canadian Securities Laws; and (iii) are effective to perform the functions for which they were established.

6. Closing Deliveries.

The closing of the purchase and sale of the Offered Securities shall be completed by electronic means at the Closing Time on the Closing Date or at such other times or times or on such other date or dates as the Company and the Underwriter, may agree upon in writing. At the Closing Time:

- (i) the Company will deliver to the Underwriter, or as the Underwriter may direct, (i) via electronic deposit, the Offered Units, in each case registered in the name of "CDS & Co." or in such other name or names as the Underwriter may notify the Company in writing of not less than two Business Days prior to the Closing Time for deposit into the electronic book based system for clearing depository and entitlement services operated by CDS, or will be made and settled in CDS under the non-certificated inventory system, and (ii) all further documentation as may be contemplated in this Agreement or as counsel to the Underwriter may reasonably require; against payment by the Underwriter to the Company (in accordance with its entitlements) of the aggregate Offering Price for the Offered Units being issued and sold under this Agreement, net of the Underwriter's Commission and the Underwriter's expenses contemplated in Section 14 of this Agreement, by certified cheque, bank draft or wire transfer payable to or as directed by the Company not less than two Business Days prior to the Closing Time; and
- (ii) the Company will deliver to the Underwriter certificate(s) representing the aggregate number of Compensation Options issuable pursuant to the Offering.

7. Underwriter's Obligation to Purchase.

The obligation of the Underwriter under this Agreement to purchase the Offered Securities at the Closing Time and at any Over-Allotment Closing shall be subject to the satisfaction of each of the following conditions (it being understood that the Underwriter may waive in whole or in part or extend the time for compliance with any of such terms and conditions without prejudice to its rights in respect of any other of the following terms and conditions or any other or subsequent breach or non-compliance of the Company, provided that to be binding on the Underwriter any such waiver or extension must be in writing and signed by the Underwriter):

- (a) the Underwriter shall have received an opinion, dated as of the Closing Date and subject to customary qualifications, of Blake, Cassels & Graydon LLP, Canadian counsel to the Company, or from local counsel in the Qualifying Jurisdictions (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company and on certificates of the Transfer Agent as to the issued capital of the Company; and (ii) as to matters of fact not independently established, on certificates of the Transfer Agent or a public official) with respect to the following matters:
 - (i) as to the incorporation and valid existence of the Company;
 - (ii) as to the authorized and issued share capital of the Company;
 - (iii) that the Company has all necessary corporate power and capacity: (i) to own or lease its properties and assets and to conduct its business, in each case in the manner contemplated in the Final Prospectus; and (ii) to execute, deliver and perform its obligations under the Transaction Documents;
 - (iv) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Transaction Documents and the performance of the Company's obligations hereunder and thereunder and each of the Transaction Documents constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to standard assumptions and qualifications;
 - (v) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Preliminary Prospectus the Final Prospectus and, if applicable, any Supplementary Material and the filing of such documents under Canadian Securities Laws;
 - (vi) that the Company has all necessary corporate power and capacity to: (i) execute and deliver the Transaction Documents and to perform its obligations hereunder and thereunder; (ii) to issue the Unit Shares; (iii) to create and issue the Warrants and to issue the Warrant Shares upon exercise of the Warrants in accordance with the terms of the Warrant Indenture; (iv) to create and issue the Compensation Options and to issue the Compensation Option Shares upon exercise of the Compensation Options in accordance with the terms of the Compensation Option

Certificates; and (v) to create and grant the Over-Allotment Option and issue and sell the Additional Units, Additional Shares and/or Additional Warrants issuable upon exercise of the Over-Allotment Option;

- (vii) that the execution and delivery of the Transaction Documents, the performance by the Company of its obligations hereunder and thereunder and the issuance and sale of the Offered Securities, the issuance of the Warrant Shares on exercise of the Warrants, the issuance of the Compensation Options and the issuance of the Compensation Options Shares on exercise of the Compensation Options, and the creation and grant of the Over-Allotment Option and issue and sale of the Additional Units, Additional Shares and/or Additional Warrants issuable upon exercise of the Over-Allotment Option does not and will not (as the case may be) 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 laws of the province of Ontario applicable to the Company, the Exchange policies and the CBCA; (B) the resolutions of the board of directors or shareholders of the Company; or (C) the articles and bylaws of the Company;
- (viii) that the Unit Shares, the Warrants and the Compensation Options have been validly authorized for issuance and, as applicable, created by the Company and, upon payment of the aggregate Offering Price and the issue thereof, the Unit Shares will be validly issued as fully paid and non-assessable Common Shares and the Warrants and Compensation Options will constitute legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms;
- (ix) that the Warrant Shares issuable upon exercise of the Warrants have been reserved for issuance by the Company and, upon the payment of the exercise price therefor and the issue thereof in accordance with the terms of the Warrant Indenture, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares;
- (x) that the Compensation Option Shares issuable upon exercise of the Compensation Options have been reserved for issuance by the Company and, upon the payment of the exercise price therefor and the issue therefor in accordance with the terms of the Compensation Option Certificates, the Compensation Option Shares will be validly issued as fully paid and non-assessable Common Shares;
- (xi) that the Over-Allotment Option has been duly and validly authorized and granted by the Company and Additional Shares and Additional Warrants issuable upon the exercise of the Over-Allotment Option have been duly and validly created, allotted and reserved for issuance by the Company and, upon the exercise of the Over-Allotment Option including receipt by the Company of payment in full therefor, the Additional Shares and the Additional Warrants will be duly and validly created, authorized, issued and outstanding as fully paid shares or securities (as the case may be) and, in the case of the Additional Shares, are fully paid and non-assessable Common Shares;

- (xii) all necessary documents have been filed by the Company, all requisite proceedings have been taken by the Company and all approvals, permits, consents, orders and authorizations of the appropriate regulatory authority under Canadian Securities Laws have been obtained by the Company to qualify: (i) the distribution of the Offered Securities to the public in each of the Qualifying Jurisdictions through or to persons or companies who are duly and properly registered in an appropriate category of dealer registration under Canadian Securities Laws in which such person or company has engaged in the distribution of the Offered Securities and who have complied with the relevant provisions of the Canadian Securities Laws and the terms of their registration; (ii) the distribution of the Compensation Options to the Underwriter; (iii) and the grant of the Over-Allotment Option;
- (xiii) that the issuance by the Company of the Warrant Shares in the Qualifying Jurisdictions upon exercise of the Warrants in accordance with the terms and conditions of the Warrant Indenture will not be subject to the prospectus requirements of applicable Canadian Securities Laws and no documents will be required to be filed, no proceeding will be required to be taken and no approvals, permits, consents or authorizations of any of the Canadian Securities Commissions in the Qualifying Jurisdictions will be required to be obtained by the Company under applicable Canadian Securities Laws in connection with the distribution therewith;
- (xiv) that the issuance by the Company of the Compensation Option Shares in the Qualifying Jurisdictions upon exercise of the Compensation Options in accordance with the terms and conditions of the Compensation Option Certificates will not be subject to the prospectus requirements of applicable Canadian Securities Laws and no documents will be required to be filed, no proceedings will be required to be taken and no approvals, permits, consents or authorizations of any of the Canadian Securities Commissions in the Qualifying Jurisdictions will be required to be obtained by the Company under applicable Canadian Securities Laws in connection the distribution therewith;
- (xv) that no other documents or prospectus needing to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under Canadian Securities Laws in connection with the first trade of the Warrant Shares and the Compensation Option Shares by the holders thereof, as the case may be;
- (xvi) subject to the qualifications, assumptions, limitations and understandings set out therein, the statements set out in the Final Prospectus under the headings “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations” are accurate summaries of the matters of Canadian income tax law discussed therein;
- (xvii) that the terms of the Offered Securities and the Compensation Options are accurately summarized in all material respects in the Final Prospectus;

- (xviii) Odyssey Trust Company is the duly appointed transfer agent and registrar for the Common Shares;
 - (xix) Odyssey Trust Company, is the duly appointed warrant agent for the Warrants;
 - (xx) that the form of certificate representing the Common Shares, the Warrants, and the Compensation Options have been duly approved and adopted by the Company and complies in all material respects with the constating documents of the Company, the CBCA and the Exchange policies;
 - (xxi) that, subject to the standard listing conditions, the Unit Shares, the Warrant Shares and the Compensation Option Shares have been approved or conditionally approved for listing on the Exchange; and
 - (xxii) as to such other matters as may reasonably be requested by the Underwriter, in a form acceptable to the Underwriter, acting reasonably;
- (b) the Underwriter shall have received, at the Closing Time, a legal opinion dated the Closing Date, addressed to the Underwriter and the Purchasers, in form and substance acceptable to the Underwriter, from counsel to each Subsidiary, with respect to the following matters: (i) the organization and subsistence in good standing of the Subsidiary; (ii) the corporate power, capacity and authority of the 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 Subsidiary; and (iv) the ownership of the issued and outstanding securities of the Subsidiary;
 - (c) the Underwriter shall have received a certificate of status (or the equivalent thereof pursuant to the relevant governing legislation) dated within one Business Day prior to the Closing Date from the Company and each Subsidiary;
 - (d) the Underwriter shall have received a certificate from the Company, dated as of the Closing Date and addressed to the Underwriter, signed by an officer of such person with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to the Offering, the incumbency and specimen signatures of signing officers, and such other matters as the Underwriter may reasonably request;
 - (e) the Underwriter shall have received a certificate, dated as of the Closing Date, of the Chief Executive Officer and the Chief Financial Officer of the Company (or such other officer or officers of the Company acceptable to the Underwriter, acting reasonably), to the effect that, to the best of their knowledge, information and belief, after due enquiry and without personal liability, that:
 - (i) the representations and warranties of the Company in this Agreement are true and correct in all material respects (other than those subject to materiality, which shall be true and correct in all respects) as if made at and as of the Closing Time and the Company has performed in all material respects all covenants and agreements and

satisfied in all material respects all conditions on its part to be performed or satisfied at or prior to the Closing Time;

- (ii) no order, ruling or determination having the effect of suspending the sale or ceasing, suspending or restricting the trading of the Common Shares in the Qualifying Jurisdictions has been issued or made by any stock exchange, securities commission or regulatory authority and is continuing in effect and no proceedings, investigations or enquiries for that purpose have been instituted or are pending or threatened;
- (iii) the minutes or resolutions or other records of various proceedings and actions of the Company's board of directors relating to the Offering and delivered at Closing are full, true and correct copies thereof and have not been modified or rescinded as of the date thereof;
- (iv) (A) since the respective dates as of which information is given in the Final Prospectus: there has been no Material Adverse Effect, material change or event or occurrence that would reasonably be expected to result in a Material Adverse Effect or material change, or which fact or change is, or may be, 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 or which would result in the Prospectus not complying with Canadian Securities Laws; and (B) no transaction has been entered into by the Company or any Subsidiary which is material to the Company on a consolidated basis, other than as disclosed in the Final Prospectus or the Supplementary Material, as the case may be; and
- (v) the Prospectus is true and correct in all material respects and contains no misrepresentation, constitutes full, true and plain disclosure of all material facts relating to the Offered Securities and to the Company and its Subsidiaries considered as a whole and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;
- (f) the Underwriter shall have received a letter dated as of the Closing Date, in form and substance satisfactory to the Underwriter, acting reasonably, from the Company's Auditors confirming the continued accuracy of the comfort letter to be delivered to the Underwriter pursuant to Section 3(c) with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Closing Date, which changes shall be acceptable to the Underwriter, acting reasonably;
- (g) the Underwriter shall have received the executed lock-up agreements, in favour of the Underwriter, from each director and officer of the Company and their respective associates, each in a form satisfactory to the Underwriter as required pursuant to Section 1(o) of this Agreement;

- (h) the Unit Shares, Warrant Shares and Compensation Option Shares shall have been approved or conditionally approved for listing on the Exchange, subject only to the standard listing conditions;
- (i) the Underwriter shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at a date no more than two Business Days prior to the Closing Date;
- (j) the Underwriter shall have received a certificate or other satisfactory evidence from the Warrant Agent as to its appointment and acceptance pursuant to the Warrant Indenture;
- (k) the Underwriter shall have received a duly executed copy of the Warrant Indenture;
- (l) there shall not be any misrepresentation in the Offering Documents or any undisclosed material change or undisclosed material facts relating to the Company or the Offered Units;
- (m) the Company shall have received a Preliminary Receipt and a Final Receipt qualifying the Offered Units and the Compensation Options for distribution in the Qualifying Jurisdictions, and neither the Preliminary Receipt nor the Final Receipt shall be invalid or have been revoked or rescinded by any Canadian Securities Commission;
- (n) the Underwriter shall have received the definitive certificate or certificates, as the case may be, evidencing the Compensation Options;
- (o) the Underwriter shall not have exercised any rights of termination set forth in this Agreement; and
- (p) the Underwriter shall have received at the Closing Date such further certificates, opinions of counsel and other documentation from the Company contemplated herein, provided, however, that the Underwriter or its counsel shall request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Company to obtain and deliver such certificate, opinion or document.

The Company agrees that the aforesaid legal opinions and certificates to be delivered at the Closing Time will be addressed to the Underwriter and the Underwriter's counsel.

8. **Exercise of Over-Allotment Option.**

- (a) The Over-Allotment Option shall be exercisable, in whole or in part, and from time to time, by the Underwriter by giving written notice to the Company on or before a date that is not later than 30 days following the Closing Date. Any such election to purchase Additional Units, Additional Shares and/or Additional Warrants may be exercised only by written notice from the Underwriter to the Company (the "**Over-Allotment Option Notice**") by 9:00 a.m. (Toronto time) on or before the 30th day following the Closing Date, such notice to set forth: (i) the aggregate number of Additional Units, Additional Shares and/or Additional Warrants to be purchased; and (ii) the date for the purchase of the Additional Units, Additional Shares and/or Additional Warrants (the "**Over-Allotment Closing**").

Date”), provided that such date shall not be less than two Business Days (as defined herein) following the date of such notice. Pursuant to the Over-Allotment Option Notice, the Underwriter shall purchase, and the Company shall deliver and sell, the number of Additional Units, Additional Shares and/or Additional Warrants indicated in such notice, in accordance with the provisions of this Agreement.

- (b) The obligation of the Underwriter to purchase the Additional Units, Additional Shares and/or Additional Warrants at the Over-Allotment Closing Time (in the event that the Over-Allotment Option is exercised by the Underwriter) shall be subject to the accuracy in all material respects of the representations and warranties of the Company contained in this Agreement (other than those subject to materiality, which should be true and correct in all respects) as of the Over-Allotment Closing Date and the performance in all material respects by the Company of its obligations under this Agreement. Any such closing shall be referred to as an “**Over-Allotment Closing**” and shall be conducted in the same manner as the Closing. At any Over-Allotment Closing, the Company and the Underwriter shall make all necessary payments and the Company shall, at its sole expense, deliver all of the certificates, opinions and other documents to be delivered by it on the Closing Date, each updated to the date of any such Over-Allotment Closing.

9. **All Terms to be Conditions.**

The Company agrees that the conditions contained in this Agreement will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and that it will use its best efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of them (including those in Section 7) will entitle the Underwriter to terminate its obligations to purchase the Offered Securities by written notice to that effect given to the Company at or prior to the Closing Time or the Over-Allotment Closing Time, as applicable. It is understood that the Underwriter may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Underwriter in respect of such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriter, any such waiver or extension must be in writing.

10. **Termination Rights.**

The Underwriter shall be entitled to terminate its obligations hereunder by written notice to that effect given to the Company and the Underwriter at or prior to the Closing Time if:

- (a) (i) there should occur any material change or change in a material fact in the Business, operations, affairs (including the departure of the Company’s CEO or CFO (or persons in equivalent position)), financial condition, assets, liabilities (contingent or otherwise), of the Company and its Subsidiaries (taken as a whole) which, in the reasonable opinion of the Underwriter has or could be expected to have a material adverse effect on the market price, value or marketability of the Common Shares; or (ii) the Underwriter shall become aware of any previously undisclosed material fact with respect to the Company which, in the reasonable opinion of the Underwriter has or could be expected to have a material adverse effect on the market price, value or marketability of the Common Shares;

- (b) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including any natural catastrophe) or any outbreak or escalation of national or international hostilities or any crisis or calamity or act of terrorism or similar event or any governmental action, change of applicable law or regulation (or the interpretation or administration thereof), inquiry or other occurrence of any nature whatsoever, including by a result of the novel coronavirus (COVID-19) pandemic only to the extent that there are material adverse impacts related thereto after the date hereof, which, in each case, in the opinion of the Underwriter, imminently seriously adversely affects, or involves, or might reasonably be expected to imminently seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company and its Subsidiaries (taken as a whole);
- (c) any inquiry, action, suit, investigation or other proceeding, whether formal or informal (including matters or regulatory transgression or unlawful conduct) in relation to the Company or any of its Subsidiaries, or any of the directors or officers of the Company or its Subsidiaries, is announced, commenced or threatened by any Governmental Authority, Canadian Securities Commission or similar regulatory authority, the Exchange, or any other competent authority or any order has been issued under or pursuant to any statute of Canada or of any province of Canada or of any other jurisdiction, or any other applicable law or regulatory authority, or there is a change in law, regulation or policy or the interpretation or administration thereof or any new law or regulation is enacted, if, in the sole opinion of the Underwriter, acting reasonably, the change, announcement, commencement or threatening thereof materially adversely affects the Company and its Subsidiaries (taken as whole) or materially prevents or restricts the trading in, or materially adversely affects the distribution, market price or value or marketability of the Offered Securities;
- (d) any order to cease or suspend trading in any securities of the Company or prohibiting or restricting the distribution of the Offered Securities or the Common Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the Exchange or other competent authority, and which order has not been rescinded, revoked or withdrawn; or
- (e) the Underwriter, acting reasonably, determines that the Company is in breach of, default under or non-compliance with any covenant, term or condition of this Agreement or any representation or warranty given by the Company in this Agreement becomes or is false in any material respect.

11. **Exercise of Termination Right.**

If this Agreement is terminated by the Underwriter pursuant to Section 10, there shall be no further liability to the Company on the part of the Underwriter or of the Company to the Underwriter, except in respect of any liability which may have arisen or may thereafter arise under Sections 13 and 14. The right of the Underwriter to terminate its obligations under this Agreement is in addition to such other remedies as it may have in respect of any default, act or failure to act of the Company in respect of any of the matters contemplated by this Agreement.

12. **Survival of Representations, Warranties and Covenants.**

All representations, warranties, covenants and agreements of the Company and/or the Underwriter herein contained or contained in documents submitted pursuant to this Agreement and in connection with the transaction of purchase and sale herein contemplated shall survive for a period ending on the date that is three years following the Closing Date. Notwithstanding the preceding sentence, Section 13 shall survive the purchase and sale of the Offered Securities and the termination of this Agreement and shall continue in full force and effect for the benefit of the Underwriter or the Company, as the case may be, regardless of any subsequent disposition of the Offered Securities or any investigation by or on behalf of the Underwriter with respect thereto without limitation other than any limitation requirements of Applicable Laws. The Underwriter and the Company shall be entitled to rely on the representations and warranties of the Company or the Underwriter, as the case may be, contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriter or the Company may undertake or which may be undertaken on their behalf.

13. **Indemnity and Contribution.**

- (a) The Company agrees to indemnify and save harmless the Underwriter, its affiliates and their respective directors, officers, employees, partners, agents, and shareholders, each other person, if any, controlling the Underwriter or any of its subsidiaries (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”) from and against any and all any and all losses (other than loss of profits), claims (including shareholder actions, derivative or otherwise), actions, suits, proceedings, damages, liabilities or expenses of whatever nature or kind, joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, and the reasonable fees, expenses and sales taxes (other than such sales taxes as can be recovered) of its counsel (collectively, the “**Losses**”) that may be incurred in investigating or advising with respect to and/or defending or settling any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the “**Claims**”) or to which the Indemnified Parties may become subject or otherwise involved in any capacity insofar as such Claims relate to, are caused by, result from, arise out of or are based, directly or indirectly upon:
- (i) the performance of professional services rendered to the Company by the Indemnified Parties under this Agreement or otherwise in connection with the matters referred to in this Agreement;
 - (ii) any breach of or default under any representation, warranty, covenant or agreement made by the Company contained in this Agreement or in any certificate or other document of the Company or of any officers thereof delivered under this Agreement or pursuant hereto or the failure of the Company to comply with any of their obligations under this Agreement;
 - (iii) any statement or information contained in any of the Offering Documents or any other material filed or delivered by or on behalf of the Company in connection with the Offering (other than any statement relating solely to the Underwriter and provided by the Underwriter in writing for inclusion in such document) containing

- or being alleged to contain a misrepresentation (for the purposes of applicable Canadian Securities Laws) or being alleged to be untrue, false or misleading;
- (iv) any omission to state in any of the Offering Documents or in any certificate of the Company delivered under this Agreement or pursuant to this Agreement or any other document or material filed or delivered by or on behalf of the Company in connection with the Offering (other than any statement relating solely to the Underwriter and provided by the Underwriter in writing for inclusion in such document), required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made;
 - (v) the non-compliance or alleged non-compliance by the Company with any requirement of applicable Canadian Securities Laws or Exchange requirements, including the Company's non-compliance with any statutory requirement to make any document available for inspection;
 - (vi) any failure or alleged failure to make timely disclosure of a material change by the Company, where such failure or alleged failure occurs during the Offering or during the period of distribution of the Offered Securities or where such failure relates to the Offering or the Offered Securities, and may give or gives rise to any liability under any statute in any jurisdiction which is in force on the date of this Underwriting Agreement; or
 - (vii) any order made or inquiry, investigation or proceedings (formal or informal) commenced or threatened by any officer or official of any Governmental Authority based upon the circumstances described in Section 13(a)(iii) above which operates to prevent or restrict trading in or distribution of the Offered Securities or any other securities of the Company in any of the Qualifying Jurisdictions or based upon any failure of the Company to comply with applicable Canadian Securities Laws preventing or restricting the trading in or the sale of the Offered Securities or related activities in any of the Qualifying Jurisdictions or the United States;
- (b) This indemnity shall not be available to any Indemnified Party in relation to any Losses which are determined by a court of competent jurisdiction in a final judgement that has become non appealable to have resulted primarily from the Indemnified Party's fraud, gross negligence or wilful misconduct.
- (c) If a Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Company, the Indemnified Party will give the Company prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Company will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected, acting reasonably, and the payment of all expenses. Failure by the Indemnified Party to so notify will not relieve the Company of its obligation of indemnification under this Agreement unless (and only to the extent that) such failure results in forfeiture by the

Company of substantive rights or defences and results in any material increase in the liability which the Company has under this indemnity.

- (d) No admission of liability and no settlement, compromise or termination of any Claim will be made without the Company's written consent and the written consent of the Indemnified Parties affected, such consents not to be unreasonably withheld or delayed. Notwithstanding that the Company will undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to any Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:
- (i) employment of such counsel has been authorized in writing by the Company;
 - (ii) the Company has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim;
 - (iii) the named parties to any such claim include both the Company and the Indemnified Party and the Indemnified Party will have been advised by counsel to the Indemnified Party that there may be a conflict of interest between the Company and the Indemnified Party; or
 - (iv) there are one or more defences available to the Indemnified Party which are different from or in addition to those available to the Company such that there may be a conflict of interest between the Company and the Indemnified Party;

in which case such fees and expenses of such counsel to the Indemnified Party will be for the Company's account. The rights accorded to the Indemnified Parties under this Agreement will be in addition to any rights an Indemnified Party may have at common law or otherwise.

- (e) The Company 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 action, suit, proceeding, investigation or claim in respect of which indemnification may be sought under this Agreement (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from liabilities arising out of such action, suit proceeding investigation or claim without any admission of wrongdoing or fault on the part of such Indemnified Party or Indemnified Parties.
- (f) The Company agrees that if any Claim shall be brought or commenced against the Company and/or any Indemnified Party and the personnel of such Indemnified Party shall be required to testify in connection therewith or shall be required to participate or respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Company by the Indemnified Parties, the Indemnified Party shall have the right to employ its 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 Indemnified Party monthly for time spent by

its personnel in connection therewith at their normal per diem rates together with such disbursements and reasonable out of pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) shall be paid by the Company as they occur.

- (g) The Company hereby constitutes the Underwriter as trustee for each of the other Indemnified Parties of the Company's covenants under this indemnity with respect to such persons and the Underwriter agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.
- (h) The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company and the Indemnified Parties.

Contribution

- (i) In order to provide for a just and equitable contribution in circumstances in which the indemnity provided for above would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Underwriter or enforceable otherwise than in accordance with its terms, the Company and the Underwriter shall contribute to the aggregate of all claims, expenses, costs and liabilities (including any legal expenses reasonably incurred by the Indemnified Party in connection with any claim which is the subject of this Section) and all losses (other than loss of profits) of a nature provided for above in such proportions as is appropriate to reflect not only the benefits received by the Company, on one hand, and the Underwriter, on the other hand, but also the relative fault of the Company and the Underwriter, as well as any equitable considerations; provided that, the Underwriter shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the Underwriter's Commission paid by the Company to the Underwriter realized from the sale of the Offered Securities and the Company shall be responsible for the balance, whether or not it has been sued, provided that, in no event, shall the Underwriter be responsible for any amount in excess of the amount of the Underwriter's Commission actually received by the Underwriter.
- (j) The Company hereby waives all rights which it may have by statute or common law to recover contribution from the Underwriter in respect of losses, claims, costs, damages, expenses or liabilities which any of them may suffer or incur directly or indirectly (in this paragraph, "losses") by reason of or in consequence of a document containing a misrepresentation; provided, however, that such waiver shall not apply in respect of losses by reason of or in consequence of any misrepresentation which is based upon or results solely from the Underwriter's Information.
- (k) In the event that the Company may be held to be entitled to contribution from the Underwriter under the provisions of any statute or law, or pursuant to the foregoing paragraph, the Company shall be limited to contribution in an amount not exceeding the lesser of: (i) the portion of the full amount of losses, claims, costs, damages, expenses and liabilities, giving rise to such contribution for which the Underwriter is responsible, as

determined above; and (ii) the amount of the Underwriter's Commission actually received by the Underwriter. Notwithstanding the foregoing, a party guilty of fraudulent misrepresentation shall not be entitled to contribution from the other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against the other party under this Section, notify such party from whom contribution may be sought. In no case shall such party from whom contribution may be sought be liable under this Agreement unless such notice has been provided, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any other obligation it may have otherwise than under this Section.

- (l) The rights to indemnity and contribution provided in this Agreement shall be in addition to and not in derogation of any other right to indemnity or contribution which the Underwriter may have by statute or otherwise by law.

14. **Expenses.**

The Company shall pay all reasonable expenses and fees in connection with the Offering, including, (i) all expenses of or incidental to the creation, issue, sale or distribution of the Offered Securities and the filing of the Prospectus; (ii) the fees and expenses of the Company's legal counsel and of local counsel to the Company; (iii) all costs incurred in connection with the preparation of documentation relating to the Offering; (iv) the reasonable out-of-pocket expenses of the Underwriter (including applicable sales taxes other than sales taxes that can be recovered); and (v) the fees and disbursements of the Underwriter's legal counsel up to a maximum set forth in the Bid Letter, exclusive of disbursements and applicable sales taxes (other than sales taxes that can be recovered). All reasonable fees and expenses (plus applicable sales taxes other than sales taxes that can be recovered) incurred by the Underwriter or on its behalf shall be payable by the Company promptly upon receiving an invoice therefor from the Underwriter and shall be payable whether or not the Offering is completed. At the option of the Underwriter, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Company on the Closing Date and any Over-Allotment Closing Date.

15. **Advertisements.**

Neither the Company nor any of the Underwriter shall make any public announcement in connection with the Offering, except if the other party has consented to such announcement or the announcement is required by applicable laws or stock exchange rules. In such event, the party proposing to make the announcement will provide the other party with a reasonable opportunity, in the circumstances, to review a draft of the proposed announcement and to provide comments thereon.

16. **Over-Allotment.**

In connection with the distribution of the Offered Securities, the Underwriter and members of its selling group (if any) may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels above those which might otherwise prevail in the open market, in compliance

with applicable Canadian Securities Laws. Those stabilizing transactions, if any, may be discontinued at any time.

17. **Notices.**

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 Company:

Medexus Pharmaceuticals Inc.
10 King Street East, Suite 600
Toronto, Ontario
M5C 1C3

Attention: Ken d'Entremont
Email: ken.dentremont@medexus.com

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

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000, Commerce Court West
Toronto, ON M5L 1A9

Attention: Joseph Zed
Email: joe.zed@blakes.com

(b) to the Underwriter:

Research Capital Corporation
199 Bay St., Suite 4500, Commerce Court West
Toronto, ON M5L 1G2

Attention: David Keating
Email: dkeating@researchcapital.com

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

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, Ontario M5H 2T6

Attention: John Sabetti
Email: jsabetti@fasken.com

The Company and the Underwriter may change their respective addresses for notice by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by electronic transmission and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by electronic transmission on the first Business Day following the day on which it is sent. Notice transmitted by email shall be deemed given on the day of transmission.

18. Time of the Essence.

Time shall, in all respects, be of the essence hereof.

19. Entire Agreement.

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including the Bid Letter. This Agreement may be amended or modified in any respect by written instrument only.

20. Assignment.

Except as contemplated herein, no party hereto may assign this Agreement or any part hereof without the prior written consent of the other parties hereto. Subject to the foregoing, this Agreement shall enure to the benefit of, and shall be binding upon, the Company and the Underwriter and their successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions contained in this Agreement, this Agreement and all conditions and provisions of this Agreement being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person except that the covenants and indemnities of the Company set out under the heading "Indemnity and Contribution" shall also be for the benefit of the Indemnified Parties.

21. Severability.

If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

22. Governing Law.

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

23. Successors and Assigns.

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company and the Underwriter and their respective successors and assigns.

24. 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.

25. Counterparts and Electronic or Facsimile Copies.

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.

26. Conflict.

The Company acknowledges that the Underwriter and its affiliates carry on a range of businesses, including providing stockbroking, investment advisory, research, investment management and custodial services to clients and trading in financial products as agent or principal. It is possible that the Underwriter and other entities in its respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Company agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Company's interests under this Agreement.

27. No Fiduciary Duty.

The Company hereby acknowledges that the Underwriter is acting solely as underwriter in connection with the purchase and sale of the Offered Securities. The Company further acknowledges that the Underwriter is acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Underwriter act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Underwriter may undertake or have undertaken in furtherance of such purchase and sale of the Company's securities, either before or after the date hereof. The Underwriter hereby expressly disclaims any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Underwriter agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Underwriter to the Company regarding such transactions, including any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company and the Underwriter agree that the Underwriter is acting as principal and not the agent or fiduciary of the Company and the Underwriter has not assumed, and the Underwriter will not assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the Company on other matters). The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the

Underwriter with respect to any breach or alleged breach of any fiduciary, advisory or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

28. Underwriter's Advice.

The Company acknowledges and agrees that all written and oral opinions, advice, analyses and materials provided by the Underwriter in connection with this Agreement and its engagement hereunder are intended solely for the Company's benefit and the Company's internal use only with respect to the Offering and the Company agrees that no such opinion, advice, analysis or material will be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without the Underwriter's prior written consent in each specific instance. Any advice or opinions given by the Underwriter hereunder will be made subject to, and will be based upon, such assumptions, limitations, qualifications, and reservations as the Underwriter, in its sole judgment, deems necessary or prudent in the circumstances. The Underwriter expressly disclaims any liability or responsibility by reason of any unauthorized use, publication, distribution of or reference to any oral or written opinions or advice or materials provided by the Underwriter or any unauthorized reference to the Underwriter or this Agreement.

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If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and returning one executed copy to the Underwriter.

Yours very truly,

RESEARCH CAPITAL CORPORATION

Per: (signed) "David Keating"
David Keating
Managing Director, Head of Equity
Capital Markets, Co-Head of
Capital Markets

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

MEDEXUS PHARMACEUTICALS INC.

Per: (signed) "Ken d'Entremont"
Authorized Signing Officer

SCHEDULE "A"
SUBSIDIARIES

Name of Subsidiary	Governing Jurisdiction	Ownership Interest of Company (directly or beneficially)%
MI Acquisitions, Inc.	Delaware	1,000 common shares (100%)
Medexus Pharma, Inc.	Delaware	7,582 common shares (100%)
Aptevo BioTherapeutics LLC	Delaware	100% membership interest