

UNDERWRITING AGREEMENT

November 4, 2021

Plurilock Security Inc.
1021 West Hastings Street
MNP Tower, 9th Floor
Vancouver, BC V6E 0C3

Attention: Mr. Ian Paterson, Chief Executive Officer

Dear Sirs:

In furtherance of a letter agreement entered into November 2, 2021 (the "**Bought Deal Letter**") among Plurilock Security Inc. (the "**Company**") and Leede Jones Gable Inc. ("**Leede**") as lead underwriter and sole bookrunner, on behalf of a syndicate of underwriters consisting of Leede, PI Financial Corp. ("**PI Financial**"), and Paradigm Capital Inc. ("**Paradigm**") (Leede, PI, and Paradigm are collectively referred to herein as the "**Underwriters**"), the Underwriters hereby severally and not jointly nor jointly and severally agree to purchase for sale on a "bought deal" basis, or find Substituted Purchasers (as hereinafter defined) to purchase on their behalf, and the Company hereby agrees to sell to the Underwriters and/or to such Substituted Purchasers 8,000,000 common shares in the capital of the Company (the "**Firm Common Shares**"), at a price of \$0.50 per Common Share (the "**Issue Price**"), for aggregate gross proceeds to the Company of \$4,000,000 (the "**Offering**"), subject to the terms and conditions set out below.

In addition, the Company grants to the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part at any time or from time to time for a period of 30 days after and including the Closing Date (as hereinafter defined), to increase the number of Common Shares purchased and sold under the Offering by an additional 1,200,000 Common Shares (the "**Optioned Common Shares**") at the Issue Price, for the purposes of covering over-allotments and for market stabilization purposes, for additional aggregate gross proceeds of up to \$600,000 by delivering written notice to the Company at any time up to 48 hours prior to such exercise. If any Optioned Common Shares are purchased pursuant to the Over-Allotment Option, each Underwriter agrees, severally and not jointly, nor jointly and severally, to purchase the percentage of such Optioned Common Shares as is equal to the percentage set out opposite the name of such Underwriter in Section 18 of this Agreement. The Firm Common Shares and the Optioned Common Shares are referred to herein as the "**Offered Shares**".

The Underwriters understand that the Company has prepared and, concurrently with or immediately after the execution hereof, will file a Prospectus Supplement (as defined herein) and all necessary documents relating thereto and will take all additional steps to qualify the Offered Shares for distribution in the Qualifying Provinces (as defined herein).

The Underwriters propose to distribute the Offered Shares in the Qualifying Provinces pursuant to the Prospectus Supplement, in the United States to Qualified Institutional Buyers

(as defined below) in compliance with the exemptions from registration under the U.S. Securities Act (as defined below) and in jurisdictions outside of Canada and the United States, with the prior written approval of the Company, where the Offered Shares may be lawfully sold in compliance with applicable exemptions from registration and prospectus requirements, all in the manner contemplated by this Agreement (collectively, the "**Selling Jurisdictions**").

In consideration of the services rendered by the Underwriters in connection with the Offering, the Company hereby agrees to pay to the Underwriters at the Closing the Commission (as hereinafter defined) and issue at the Closing the Underwriters' Warrants (as hereinafter defined). The obligation of the Company to pay the Commission and issue the Underwriters' Warrants will arise at the Closing Time (as hereinafter defined) and the Commission and Underwriters' Warrants will be fully earned by the Underwriters at that time.

The parties acknowledge that the Common Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States (as hereinafter defined) and may not be offered or sold in the United States, or to or for the account or benefit of U.S. Persons (as hereinafter defined), except 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 specified in this Agreement and pursuant to the representations, warranties, acknowledgments, agreements and covenants of the Company and certain Underwriters and the U.S. Placement Agents (as hereinafter defined) contained in Schedule "A" hereto. All actions to be undertaken by the Underwriters in the United States in connection with the matters contemplated herein will be undertaken through the U.S. Placement Agents.

The Underwriters are entitled to appoint, at their sole expense, other registered dealers acceptable to the Company ("**Selling Firms**") as agents to assist in the Offering and the Underwriters may determine the remuneration payable to such Selling Firms, such remuneration to be the sole responsibility of the Underwriters.

For greater certainty, the services provided by the Underwriters in connection herewith will not be subject to the "**Goods and Services Tax**" provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that Canada Revenue Agency determines that "Goods and Services Tax" provided for in the *Excise Tax Act* (Canada) is exigible on the fees payable to the Underwriters, the Company agrees to pay the amount of "Goods and Services Tax" forthwith upon the receipt of an invoice related thereto from the Underwriters.

TERMS AND CONDITIONS

Section 1 Definitions

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms will have the following meanings:

"**affiliate**", "**associate**", "**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

"**Agreement**" means this Underwriting Agreement, including all schedules hereto, as amended or supplemented from time to time;

"**Applicable Laws**" means, in relation to any person or persons, all regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award or policy, of any Governmental Authority that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"**BCSC**" means the British Columbia Securities Commission;

"**Bought Deal Letter**" has the meaning ascribed thereto in the introductory section;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario and the City of Vancouver, British Columbia;

"**Canadian Securities Laws**" means, collectively, all applicable securities laws in each of the Qualifying Provinces and the respective rules and regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in the Qualifying Provinces;

"**Claim**" or "**Claims**" has the meaning given to that term in Section 16 of this Agreement;

"**Closing**" means the closing on the Closing Date of the transaction of purchase and sale in respect of the Common Shares as contemplated by this Agreement;

"**Closing Date**" means November 10, 2021 or such other date as Leede (on behalf of the Underwriters) and the Company agree upon;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or Option Closing Date, as applicable, or such other time on the Closing Date or Option Closing Date, as applicable, as the Company and Leede (on behalf of the Underwriters) agree upon;

"**Commission**" has the meaning given to that term in Section 9(1) of this Agreement;

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

"**Company**" has the meaning ascribed thereto in the introductory section;

"**Company's Former Auditors**" means Deloitte LLP;

"**Continuing Underwriter**" has the meaning given to that term in Section 18;

"**Contract**" means all material agreements, contracts or commitments of any nature, written or oral, including, for greater certainty and without limitation, leases, loan documents and security documents;

"**Directed Selling Efforts**" has the meaning ascribed thereto in Schedule "A" hereto;

"**distribution**" means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws;

"**Documents Incorporated by Reference**" means all financial statements, management's discussion and analysis, management information circulars, annual information forms, business acquisition reports, material change reports or other documents filed by the Company, whether before or after the date of this Agreement, all or a portion of which are required to be incorporated by reference, or that are deemed to be incorporated by reference, under applicable Canadian Securities Laws in the Base Shelf Prospectus, the Prospectus Supplement or any Supplementary Material, as applicable;

"**Encumbrance**" means any charge, mortgage, lien, hypothec, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise pursuant to any applicable law, attaching to property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of British Columbia;

"**Final Base Shelf Prospectus**" means the final short form base shelf prospectus dated May 31, 2021, including all of the Documents Incorporated by Reference, prepared by the Company and relating to the distribution of the Offered Shares and for which a receipt has been issued by the British Columbia Securities Commission on its own behalf and, as principal regulator, on behalf of each of the other Securities Regulators;

"**Financial Statements**" means the audited consolidated financial statements of the Company for the years ended December 31, 2020 and 2019, together with the notes to such audited consolidated financial statements and the report of the auditors of the Company on such audited consolidated financial statements, and the unaudited condensed consolidated interim financial statements of the Company for the periods ended June 30, 2021 and 2020, together with the notes to such unaudited condensed consolidated interim financial statements and any other financial statements of the Company included in the Documents Incorporated by Reference, including the notes to such statements and the related auditors' report on such statements, where applicable;

"**Firm Common Shares**" has the meaning ascribed thereto in the introductory section;

"**General Solicitation or General Advertising**" has the meaning ascribed thereto in Schedule "A" hereto;

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

"**IFRS**" means the *International Financial Reporting Standards* as contained in the CPA Canada Handbook – Accounting;

"**including**" means including without limitation;

"**Indemnified Party**" has the meaning given to that term in Section 16 of this Agreement;

"**Intellectual Property**" means intellectual property rights, including: (a) patents and inventions; (b) trademarks, service marks, trade dress, trade names, corporate names, logos, slogans and Internet domain names, together with all goodwill associated with each of the foregoing; (c) copyrights and copyrightable works in whatever form or medium; (d) registrations, applications and renewals for any of the foregoing; (e) proprietary computer software (including but not limited to data, data bases and documentation); and (f) trade secrets, confidential information and know-how;

"**Issue Price**" has the meaning ascribed thereto in the introductory section;

"**knowledge of the Company**" (or similar phrases) means the actual knowledge, after due enquiry, of the Chief Executive Officer, Chief Financial Officer, or Chief Technology Officer of the Company;

"**Leede**" has the meaning ascribed thereto in the introductory section;

"**Material Adverse Effect**" means any 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 by the board of directors is probable), event, occurrence or effect that is materially adverse to the Company's business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of the Company on a consolidated basis;

"**Money Laundering Laws**" has the meaning ascribed thereto in Section 7(1)(tt);

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

"**NI 44-102**" means National Instrument 44-102 – *Shelf Distributions*;

"**Offered Shares**" has the meaning ascribed thereto in the introductory section;

"**Offering**" has the meaning ascribed thereto in the introductory section;

"**Offering Documents**" means, collectively, the Prospectus and any Supplementary Material;

"**Option Closing Date**" means such date as Leede (on behalf of the Underwriters) specifies in any notice of exercise of the Over-Allotment Option, provided that such date is not more than 30 days after the Closing Date and that such notice is given at least 48 hours prior to the proposed date for closing;

"**Optioned Common Shares**" has the meaning ascribed thereto in the introductory section;

"**Over-Allotment Option**" has the meaning ascribed thereto in the introductory section;

"**Paradigm**" means Paradigm Capital Inc.;

"**Passport System**" means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102 - *Passport System* adopted by the Canadian Securities Administrators (other than the Ontario Securities Commission) and National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions*;

"**person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority or other legal entity;

"**PI Financial**" means PI Financial Corp.;

"**Preliminary Base Shelf Prospectus**" has the meaning ascribed thereto in Section 2(1);

"**President's List**" has the meaning given to that term in Section 9(2) of this Agreement;

"**Principal Regulator**" means the BCSC, as principal regulator under the Passport System;

"**Promoters**" means Robert Kiesman and Ian Paterson;

"**Prospectus**" means, collectively, the Final Base Shelf Prospectus and the Prospectus Supplement and any amendments thereto;

"**Prospectus Supplement**" means the shelf prospectus supplement to be dated November 4, 2021, including all of the Documents Incorporated by Reference, to be prepared by the Company and relating to the distribution of the Offered Shares;

"**Public Disclosure Documents**" means, collectively, all of the publicly available documents which have, or will have been filed by or on behalf of the Company during the period commencing on January 1, 2020 and ending on the date of the Final Receipt with the relevant Securities Regulators pursuant to the requirements of Canadian Securities Laws and the rules and policies of the TSXV, including all press releases, material change reports, financial statements, management's discussions and analysis, information circulars, business acquisition reports and other documents that have been publicly disclosed by or on behalf of the Company and posted under the Company's profile on SEDAR;

"**Purchasers**" means the persons who are the Underwriters or purchasers of Common Shares arranged by the Underwriters;

"**Qualified Institutional Buyers**" has the meaning ascribed thereto in Schedule "A" hereto;

"**Qualifying Provinces**" means each of the provinces of Canada, other than Québec;

"**Refusing Underwriter**" has the meaning given to that term in Section 18;

"**Sanctions**" has the meaning ascribed thereto in Section 7(1)(uu);

"**Securities Regulators**" means, collectively, the securities regulators in the Qualifying Provinces and any other applicable securities regulator in the Selling Jurisdictions;

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

"**Selling Firms**" has the meaning ascribed thereto in the introductory section;

"**Selling Jurisdictions**" has the meaning ascribed thereto in the introductory section;

"**Shelf Information**" has the meaning ascribed thereto in Section 2(2);

"**Shelf Procedures**" has the meaning ascribed thereto in Section 2(1);

"**Shelf Securities**" has the meaning ascribed thereto in Section 2(1);

"**Standard Listing Conditions**" has the meaning ascribed thereto in Section 4(5)(d);

"**Subsequent Disclosure Documents**" means any financial statements, management's discussion and analysis, management information circulars, annual information forms, business acquisition reports, material change reports or other documents issued by the Company after the date of this Agreement that are required to be incorporated by reference under applicable Canadian Securities Laws in the Final Base Shelf Prospectus or Prospectus Supplement;

"**Subsidiaries**" means each of: (i) Plurilock Security Solutions Inc., a company formed pursuant to an amalgamation under the Business Corporations Act (British Columbia); (ii) Plurilock Security Corp., a company incorporated under the laws of the State of Delaware, U.S.A.; and (iii) Aurora Systems Consulting Inc., a company incorporated under the laws of the State of California, U.S.A.

"**subsidiary**" means a subsidiary for purposes of the *Securities Act* (British Columbia) and includes any limited partnerships controlled by the Company;

"**Supplementary Material**" means, collectively, any amendment to the Final Base Shelf Prospectus or the Prospectus Supplement, as applicable, any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Company under the Canadian Securities Laws relating to the distribution of the Common Shares and Underwriters' Warrants;

"**Tax**" includes any income tax, capital tax, payroll tax, employer health tax, workers' compensation payment, property tax, custom and land transfer tax, duty, royalty, levy, impost, assessment, deduction, charge or withholding, and all liabilities with respect thereto including any arrears, penalty and interest payable with respect thereto;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**Transaction Documents**" means, collectively, this Agreement, and the Underwriters' Warrants;

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

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

"**Underwriters**" has the meaning ascribed thereto in the introductory section;

"**Underwriters' Warrant Shares**" has the meaning given to that term in Section 9(2) of this Agreement;

"**Underwriters' Warrants**" has the meaning given to that term in Section 9(2) 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**" has the meaning ascribed thereto in Schedule "A" hereto;

"**U.S. Placement Agent**" means any U.S.-registered broker-dealer of an Underwriter;

"**U.S. Private Placement Memorandum**" means the U.S. private placement memorandum, in a form satisfactory to the Underwriters and the Company, each acting reasonably, the final version of which will have attached thereto and incorporate therein by reference the Prospectus, to be delivered to each offeree and/or purchaser of the Offered Shares in the United States in accordance with Schedule "A" hereto; and

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.

Section 2 Background and Interpretation.

- (1) The Company has prepared and filed with the Securities Regulators in each of the Qualifying Provinces a preliminary short form base shelf prospectus dated May 6, 2021 relating to the distribution of securities of the Company with a value of up to \$50 million (the "**Shelf Securities**") pursuant to Canadian Securities Laws and in accordance the Passport System. Such preliminary short form base shelf prospectus relating to the distribution of the Shelf Securities, including any Documents Incorporated by Reference therein and any supplements or amendments thereto, is herein called the "**Preliminary Base Shelf Prospectus**". The Company has prepared and filed the Preliminary Base Shelf Prospectus, pursuant to NI 44-101 and NI 44-102, the "**Shelf Procedures**". The Principal Regulator has issued a receipt for the Canadian Preliminary Base Prospectus and the Company has satisfied the conditions in MI 11-102 to the deemed issuance of a receipt by the Securities Regulators for the Preliminary Base Prospectus in each of the other Qualifying Provinces.

- (2) In addition, the Company (a) has prepared and filed with the Securities Regulators in the Qualifying Provinces, the Final Base Shelf Prospectus, pursuant to the Shelf Procedures, omitting the Shelf Information (as hereinafter defined) in accordance with the rules and procedures set forth in NI 44-102, and (b) will prepare and file, as promptly as possible and in any event (i) not later than 10:00 p.m. (Toronto time) on November 4, 2021, with the Securities Regulators in the Qualifying Provinces, in accordance with the Shelf Procedures, the Prospectus Supplement. The information, if any, included in the Prospectus Supplement that is omitted from the Final Base Shelf Prospectus for which a final receipt has been obtained from the Securities Regulators, but that is deemed under the Shelf Procedures to be incorporated by reference into the Final Base Shelf Prospectus as of the date of the Prospectus Supplement, is referred to herein as the "**Shelf Information**".

Section 3 Distribution of the Offered Shares.

- (1) Each Underwriter shall be permitted to appoint additional Selling Firms as its agents in the Offering and each such Underwriter may determine the remuneration payable to such Selling Firm. The Underwriters may offer the Offered Shares, directly and through Selling Firms or any Affiliate of an Underwriter, in the Qualifying Provinces for sale to the public only in accordance with Canadian Securities Laws and in any Selling Jurisdiction outside of the Qualifying Provinces (subject to Section 8 hereof) to Purchasers permitted to purchase the Offered Shares only in accordance with Applicable Laws in such jurisdiction, and upon the terms and conditions set forth in the Offering Documents and in this Agreement. Each Underwriter shall require any Selling Firm appointed by such Underwriter to agree to the foregoing and such Underwriter shall be severally responsible for the compliance by such Selling Firm with the provisions of this Agreement.
- (2) For purposes of this Section 3, the Underwriters shall be entitled to assume that the Offered Shares are qualified for distribution in each Qualifying Province, unless otherwise notified in writing by the Company.
- (3) The Underwriters shall promptly notify the Company when, in their opinion, the distribution of the Offered Shares has ceased and will provide to the Company, as soon as practicable thereafter, a breakdown of the number of Offered Shares distributed in each of the Selling Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the Canadian securities commissions and, if applicable, in the United States.
- (4) The Underwriters shall not, in connection with the services provided hereunder, make any representations or warranties with respect to the Company or its securities, other than as set forth in the Offering Documents.
- (5) Notwithstanding the foregoing provisions of this Section 3, no Underwriter will be liable to the Company under this Section 3 with respect to a default by another Underwriter or any Selling Firm, as the case may be.

- (6) The Underwriters acknowledge that the Company is not taking any steps to qualify the Offered Shares for distribution or register the Offered Shares or the distribution thereof with any securities authority outside of the Qualifying Provinces.

Section 4 Preparation of Prospectus Supplement; Marketing Materials; Due Diligence

- (1) During the period of the distribution of the Offered Shares, the Company shall cooperate in all respects with the Underwriters to allow and assist the Underwriters to participate fully in the preparation of, and allow the Underwriters to approve the form and content of, the Offering Documents and the U.S. Private Placement Memorandum, and shall allow the Underwriters to conduct all "due diligence" investigations which the Underwriters may reasonably require to fulfil the Underwriters' obligations under Canadian Securities Laws as Underwriters and, in the case of the Prospectus Supplement, to enable the Underwriters responsibly to execute any certificate required to be executed by the Underwriters.
- (2) Without limiting the generality of Section 4(1) above, during the distribution of the Offered Shares:
 - (a) the Company shall prepare, in consultation with the Underwriters, and shall approve in writing, prior to the time that any such marketing materials are provided to potential Purchasers, a template version of any marketing materials reasonably requested to be provided by the Underwriters to any such potential Purchasers, and such marketing materials shall comply with Canadian Securities Laws and shall be acceptable in form and substance to the Underwriters and their counsel, acting reasonably;
 - (b) Leede shall, on behalf of the Underwriters, approve a template version of any such marketing materials in writing prior to the time that such marketing materials are provided to potential Purchasers;
 - (c) the Company shall file a template version of any such marketing materials on SEDAR as soon as reasonably practical after such marketing materials are so approved in writing by the Company and Leede and in any event on or before the day the marketing materials are first provided to any potential Purchaser, and the Company shall provide a copy of such filed template version to the Underwriters as soon as practicable following such filing; and
 - (d) following the approvals and filings set forth in Section 4(2) (a) to (c) above, the Underwriters may provide a limited use version of such marketing materials to potential Purchasers in accordance with Canadian Securities Laws.
- (3) By the act of having delivered the Prospectus to the Underwriters, the Company shall have represented and warranted to the Underwriters that all information and statements (except information and statements relating solely to the Underwriters and provided by them in writing for inclusion therein) contained in such documents, at the respective dates of initial delivery thereof, comply with the Canadian Securities Laws and are true and correct in all material respects, and that such documents, at such dates, contain no

misrepresentation or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and constitute full, true and plain disclosure of all material facts relating to the Company and the Offering as required by the Canadian Securities Laws.

- (4) Each of the Company and the Underwriters, on a several basis, covenants and agrees not to provide any potential Purchaser with any marketing materials except for marketing materials which have been approved as contemplated in Section 4(2).
- (5) The Company shall deliver to the Underwriters:
 - (a) prior to the filing thereof with the Securities Regulators, a copy of the Prospectus Supplement signed and certified by the Company and the Promoters as required by the applicable Securities Laws;
 - (b) prior to the filing of the Prospectus Supplement or any amendment thereto with the Securities Regulators, a copy of any other document filed with, or delivered to, the Securities Regulators in the Qualifying Provinces by the Company under Canadian Securities Laws in connection with the filing of the Prospectus Supplement;
 - (c) prior to the filing of the Prospectus Supplement or any amendment thereto with the Securities Regulators, a "long-form" comfort letter dated the date of the Prospectus Supplement, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters, from the Company's Former Auditors, and based on a review completed not more than two Business Days prior to the date of the letter, with respect to certain financial and accounting information relating to the Company included and incorporated by reference in the Prospectus, which letter will be in addition to the auditors' report contained in the Prospectus and any auditors' comfort letter addressed to or filed with the Securities Regulators in the Qualifying Provinces under Canadian Securities Laws; and
 - (d) prior to the filing of the Prospectus Supplement with the Securities Regulators, copies of correspondence indicating that the application for the listing and posting for trading of the Offered Shares and the Underwriters' Warrant Shares has been approved subject only to satisfaction by the Company of customary post-closing conditions imposed by the TSXV (the "**Standard Listing Conditions**").
- (6) If applicable, the Company will prepare and deliver promptly to the Underwriters copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material or the incorporation by reference in the Base Shelf Prospectus, Prospectus Supplement of any Subsequent Disclosure Document, the Company will deliver to the Underwriters, with respect to such Supplementary Material or Subsequent Disclosure Document, documents substantially similar to those referred to in Section 4(5).

Section 5 Covenants of the Company.

- (1) The Company hereby covenants to the Underwriters, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Offered Shares, that it will:
 - (a) for a period of two years after the Closing Date, use commercially reasonable efforts to maintain its status as a reporting issuer (as such term is defined under applicable Canadian Securities Laws) under Canadian Securities Laws in the Qualifying Provinces, and remain listed on the TSXV or other recognized stock exchange, provided that for greater certainty, nothing herein shall restrict or prevent the Company from undertaking any "going private" or similar transaction;
 - (b) for a period of two years after the Closing Date, use commercially reasonable efforts to remain a corporation validly existing under its jurisdiction of incorporation, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the Company determines such licensing, registration or qualification is necessary to carry on its business;
 - (c) allow the Underwriters and their representatives the opportunity to conduct all due diligence investigations which the Underwriters may reasonably require to be conducted in connection with the Offering prior to and until the Closing Date;
 - (d) duly execute and deliver the Transaction Documents at or prior to the Closing Time and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company (unless waived by the Underwriters);
 - (e) fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions applicable to the Company set out in Section 11 that are within its control (unless waived by the Underwriters);
 - (f) fulfil all legal requirements to permit at the Closing Time, the creation and issuance of the Offered Shares and the Underwriters' Warrants, all as contemplated in the Transaction Documents and file or cause to be filed all documents, applications, forms or undertakings required to be filed by the Company and take or cause to be taken all action required to be taken by the Company in connection with the issuance of the Offered Shares so that the distribution of such securities may lawfully occur pursuant to the Prospectus in Canada and without the necessity of filing a prospectus or a registration statement in the United States or similar document in any other jurisdiction;
 - (g) until the date of the completion of the distribution of the Offered Shares, use commercially reasonable efforts to ensure that the Base Shelf Prospectus, Prospectus Supplement and any Supplementary Material comply at all times with Canadian Securities Laws;

- (h) ensure the Company complies, in all material respects, with the rules and policies of the TSXV or any other stock exchange where its securities will be listed at such time;
- (i) during the period from the date hereof until the completion of the distribution of the Offered Shares, promptly inform the Underwriters of the full particulars of any request of any of the Securities Regulators or the TSXV for any information, or receipt by the Company of any communication from any of the Securities Regulators or the TSXV or any other competent authority relating to the Company or which may be relevant to the distribution of the Offered Shares;
- (j) advise the Underwriters, promptly after receiving notice thereof, of the time when the Prospectus Supplement and any Supplementary Material have been filed and provide evidence reasonably satisfactory to the Underwriters of each such filing;
- (k) ensure that, at all times prior to expiry thereof, a sufficient number of Underwriters' Warrant Shares are duly and validly allotted and reserved for issuance upon the due exercise of the Underwriters' Warrants;
- (l) ensure that, upon the due exercise of the Underwriters' Warrants, the Underwriters' Warrant Shares will be duly issued as fully paid and non-assessable shares in the capital of the Company;
- (m) advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, of: (i) the issuance by any Securities Regulators or the TSXV of any order suspending or preventing the Offering, the use of the Base Shelf Prospectus, the Prospectus Supplement or any Supplementary Material; (ii) the suspension of the qualification of the Offered Shares for distribution in any of the Qualifying Provinces; (iii) the institution, threatening or contemplation of any proceeding for any such purposes; or (iv) any requests made by any Securities Regulator for amending or supplementing the Base Shelf Prospectus, Prospectus Supplement or any Supplementary Material or for additional information, and will use its commercially reasonable efforts to obtain the withdrawal of any such order referred to in (i) or (ii) above as promptly as possible;
- (n) use its commercially reasonable efforts to ensure that the Underwriters' Warrant Shares are approved for listing and trading on the TSXV on the Closing Date;
- (o) until completion of the distribution, consult in good faith with Leede as to the content and form of any press release relating to the Offering, the Base Shelf Prospectus or the Prospectus Supplement or the transactions contemplated therein;
- (p) take all necessary corporate action to authorize the execution and delivery of each of these Base Shelf Prospectus, Prospectus Supplement and Supplementary Material and the filing thereof with the Securities Regulators in the Qualifying Provinces;

- (q) not to offer, nor to announce the offering of, nor to make any agreement to issue any equity or debt securities or securities convertible or exercisable into equity or debt securities of the Company for a period commencing the date hereof and ending 90 days from the Closing Date without the prior written consent of the Underwriters', such consent not to be unreasonably withheld or delayed, except in connection with: (i) the Over-Allotment Option; (ii) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Company and other share compensation arrangements; (iii) the exercise of outstanding warrants and other convertible securities; (iv) obligations of the Company in respect of existing agreements; or (v) the issuance of securities by the Company in connection with acquisitions in the normal course of business; and
- (r) cause its officers and directors to execute and deliver written undertakings in favour of the Underwriters agreeing not to sell, transfer, pledge, assign, or otherwise dispose of any securities of the Company owned, directly or indirectly by such director or senior officers, until 90 days following Closing Date, without the prior written consent of Leede, on behalf of the Underwriters, such consent not to be unreasonably withheld and such consent shall not be required in connection with (a) the exercise of options or other convertible securities, (b) transfers among a shareholder's affiliates for tax or other planning purposes, or (c) a tender or sale by a shareholder of securities of the Company in or pursuant to a take-over bid or similar transaction involving a change of control of the Company. Notwithstanding the foregoing, directors of the Company will be permitted to sell common shares that may be issued pursuant to the exercise of stock options that were granted before the completion of the Company's qualifying transaction beginning 30 days after the Closing Date.

Section 6 Material Changes.

- (1) During the period from the date of this Agreement to the completion of the distribution of the Offered Shares, the Company represents and warrants to the Underwriters that there is no material change or material fact required to be disclosed by the Company pursuant to Canadian Securities Laws which is not currently disclosed within the Public Disclosure Documents. The Company further covenants and agrees with the Underwriters that it shall promptly notify the Underwriters in writing of:
 - (a) any material change (actual, anticipated, contemplated or threatened) in or relating to the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Company and its Subsidiaries taken as a whole;
 - (b) any material fact which has arisen or been discovered and would have been required to have been stated in any of the Offering Documents or the U.S. Private Placement Memorandum had the fact arisen or been discovered on or prior to the date of such document;

- (c) any change in any material fact (which for purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents or the U.S. Private Placement Memorandum, as they exist immediately prior to such change, which fact or change is, or may reasonably be expected to be, of such a nature as to render any statement in such Offering Documents or the U.S. Private Placement Memorandum, as they exist taken together in their entirety immediately prior to such change, misleading or untrue in any material respect or which would result in the Offering Documents or the U.S. Private Placement Memorandum, as they exist immediately prior to such change, containing a misrepresentation or which would result in the Offering Documents or the U.S. Private Placement Memorandum, as they exist immediately prior to such change, not complying (to the extent that such compliance is required) with the laws of any Qualifying Province in which the Offered Shares are to be offered for sale or which change would reasonably be expected to have a significant effect on the market price or value of any securities of the Company.
- (2) The Underwriters agree, and will require each Selling Firm to agree, to cease the distribution of the Offered Shares upon the Underwriter receiving written notification of any change or material fact with respect to any Offering Document contemplated by this Section 6 and to not recommence the distribution of the Offered Shares until Supplementary Material disclosing such change are filed in such Qualifying Province.
- (3) The Company shall promptly comply with all applicable filing and other requirements under Canadian Securities Laws whether as a result of such change, material fact or otherwise; provided that the Company shall not file any Supplementary Material or other document without first providing the Underwriters with a copy of such Supplementary Material or other document and consulting with the Underwriters with respect to the form and content thereof.
- (4) If during the distribution of the Offered Shares there is any change in any Canadian Securities Laws, which results in a requirement to file a Prospectus Amendment, the Company shall subject to the proviso in Section 6(2), make any such filing under Canadian Securities Laws as soon as possible.
- (5) The Company shall in good faith discuss with the Underwriters any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this Section 6.

Section 7 Representations and Warranties of the Company.

- (1) The Company represents and warrants to the Underwriters, and acknowledges that each of them is relying upon such representations and warranties in connection with the Offering, that:
 - (a) the Company is validly existing under the laws of British Columbia, is current and up-to-date with all material filings required to be made by it and has all

requisite corporate capacity, power and authority and is qualified or authorized to: (i) carry on its business as now conducted and to own or lease and operate its property and assets in all jurisdictions where such qualification or authorization is required; (ii) undertake the offering of the Offered Shares and to carry out all other obligations and transactions contemplated herein, including entering into, executing and delivering the Transaction Documents and carrying out its obligations thereunder; and (iii) create, offer, issue and sell the Offered Shares in accordance with this Agreement;

- (b) at the Closing Time, the Offered Shares will all have been duly created and authorized for issuance pursuant to this Agreement;
- (c) the Company holds, directly or indirectly, 100% registered and beneficial interest in the issued and outstanding shares of each Subsidiary. Each of the Subsidiaries is validly subsisting under its governing law, is current and up-to-date with all material filings required to be made by it and has all requisite corporate capacity, power and authority and is qualified or authorized to carry on its business as now conducted and to own or lease and operate its property and assets in all jurisdictions where such qualification or authorization is required. All of the issued and outstanding shares in the capital of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are directly or indirectly beneficially owned by the Company, free and clear of any Encumbrances; and none of the outstanding shares of the capital stock of each of the Subsidiaries was issued in violation of the pre-emptive or similar rights of any security holder of such entity. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Company to, directly or indirectly, sell, transfer or otherwise dispose of any capital stock of any Subsidiary. No act or proceeding has been taken by or against any of the Subsidiaries in connection with its liquidation, winding-up or bankruptcy;
- (d) the Company holds, directly or indirectly, 100% registered and beneficial interest in the issued and outstanding shares of Plurilock Security Private Limited ("**Plurilock India**"). As of the date of this Agreement, Plurilock India is not a material subsidiary of the Company and it holds no assets;
- (e) the authorized share capital of the Company consists of an unlimited number of Common Shares of which 60,487,572 Common Shares were issued and outstanding as of the close of business on November 3, 2021, as fully paid and non-assessable shares;
- (f) the Company is in compliance in all material respects with the by-laws, rules and regulations of the TSXV and Canadian Securities Laws and no material change relating to the Company has occurred within the past 12 months that has not been generally disclosed or in respect of which the requisite disclosure has not been made under Canadian Securities Laws and no such disclosure has been made on a confidential basis;

- (g) the Company has filed on SEDAR and with all applicable Securities Regulators, the TSXV and all applicable self-regulatory authorities a true and complete copy of all Public Disclosure Documents and at the time filed or, if amended, as of the date of such amendment of the Public Disclosure Documents (i) did not contain any misrepresentation (as defined by the *Securities Act* (British Columbia)) and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Regulators having jurisdiction over the Company except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect. The Company has paid all fees required to be paid to any Securities Regulator or the TSXV or other self-regulatory authority that have come due and has not filed any confidential material change or other report or other document with any Securities Regulators or the TSXV or other self-regulatory authority which at the date hereof remains confidential. Except as disclosed to the Underwriters in writing, no Subsidiary is required to file any reports or other documents with any of the Securities Regulators or the TSXV;
- (h) except as set out in the Public Disclosure Documents, the Company is not party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any Common Shares or securities convertible into or exchangeable for Common Shares;
- (i) the Company and each of the Subsidiaries is, in all material respects, conducting their respective businesses in compliance with all Applicable Laws, rules and regulations (including all material applicable Canadian or foreign federal, provincial, state, municipal, and local, environmental, anti-pollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including but not limited to relevant concessions and permits) of each jurisdiction in which its respective business is carried on and each is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on business to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits and all such licences, registrations and qualifications will at the Closing Time be valid, subsisting and in good standing;
- (j) the Company and each of the Subsidiaries have received all licenses, permits, registrations, clearances or qualifications that are required by all applicable federal, provincial or other authorities, if any, to conduct their business and sell their services to the public, as applicable except where the failure to possess such

licenses, permits, registrations, clearances or qualification would not have a Material Adverse Effect;

- (k) the Company and each of the Subsidiaries are operating, in all material respects, in compliance with all applicable federal and provincial privacy legislation, and other equivalent legislation, as applicable, in the jurisdictions in which the Company or any of the Subsidiaries operates;
- (l) except as set out in the Public Disclosure Documents, neither the Company nor any of the Subsidiaries is aware of any legislation or proposed legislation published or proposed to be published by a Governmental Authority, which would reasonably be expected to have a Material Adverse Effect;
- (m) all employees, contractors and agents of the Company and of each of the Subsidiaries, are, to the Company's knowledge, all licensed, registered, accredited, qualified, insured, and inspected by the applicable regulatory and professional bodies and as appropriate in order for them to provide the services that they are providing or that they propose or purport to provide;
- (n) any and all Contracts pursuant to which the Company and/or any of the Subsidiaries is a party are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms against the Company or such Subsidiary, as the case may be and, to the Company's knowledge, no default exists under and no event has occurred which, after notice or lapse of time or both, or otherwise, constitutes a default under or breach of, by the Company, or any other person, any material obligation, agreement, covenant or condition contained in any Contract or other instrument to which the Company or the Subsidiaries is a party or by which it or any of its properties may be bound. No order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares, or any other security of the Company has been issued or made by any Securities Regulators or stock exchange or any other regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the best of the Company's knowledge, contemplated or threatened by any such authority or under any Canadian Securities Laws;
- (o) neither the Company nor any of the Subsidiaries is in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists that has not been waived, which constitutes or would, with the giving of notice or lapse of time or both, constitute a default in respect of any material commitment, agreement, document or other instrument to which the Company or any of the Subsidiaries is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder and which, in each case, would have a Material Adverse Effect;

- (p) at the Closing Time, each of the Transaction Documents will have been duly authorized by all necessary corporate action of the Company and each of the Transaction Documents will have been duly executed and delivered by the Company and constitute a legal, valid and binding obligation of the Company, enforceable in accordance with its respective terms, except that: (i) the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally; (ii) equitable remedies, including, without limitation, specific performance and injunction, may be granted only in the discretion of a court of competent jurisdiction; and (iii) rights of indemnity, contribution and the waiver of contribution provided for herein may be limited under applicable law;
- (q) the execution and delivery of each of the Transaction Documents, the fulfillment of the terms thereof by the Company, the issuance, sale and delivery of the Offered Shares to be issued and sold by the Company at the Closing Time and the issuance of the Underwriters' Warrants, do not and will not:
 - (i) require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange, Securities Regulators or other third party, except such as have been obtained or such as may be required (and will be obtained by the Company prior to the Closing Time) under Canadian Securities Laws or stock exchange regulations (other than the final listing approval from the TSXV); or
 - (ii) result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:
 - (A) any of the terms, conditions or provisions of the articles, by-laws or resolutions of the shareholders, directors or any committee of directors of the Company or any material indenture, agreement or instrument to which the Company is a party or by which it is contractually bound; or
 - (B) any statute, rule, regulation or law applicable to the Company, including, without limitation, Canadian Securities Laws, or any judgment, order or decree of any Governmental Authority or court having jurisdiction over the Company; and
 - (iii) do not affect the rights, duties and obligations of any parties to any material indenture, agreement or instrument to which the Company or the Subsidiaries is a party, nor give a party the right to terminate any such indenture, agreement or instrument by virtue of the application of terms, provisions or conditions in such indenture, agreement or instrument;
- (r) there are no claims, suits, actions, judgements, proceedings or investigations outstanding or pending or, to the knowledge of the Company, threatened by or

against or affecting the Company or any of the Subsidiaries, or their respective directors or officers at law or in equity or before any Governmental Authority that could individually or in the aggregate have, or could reasonably be expected to have, a Material Adverse Effect or that questions the validity of the issuance of the Offered Shares or any action taken or to be taken by the Company in connection with this Agreement, and to the knowledge of the Company, there is no basis therefor. None of the Company or the Subsidiaries nor any of the respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict the right or ability of the Company or the Subsidiaries to conduct its respective business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by the Transaction Documents, except to the extent any such matter would not have a Material Adverse Effect;

- (s) the Company is eligible to file a Prospectus Supplement in each of the Qualifying Provinces pursuant to applicable Canadian Securities Laws in the Qualifying Provinces and on the date of and upon filing of the Prospectus Supplement there will be no documents required to be filed under applicable Securities Laws in the Selling Jurisdictions in connection with the Offering that will not have been filed as required;
- (t) the Company intends to use the net proceeds of the Offering in the manner as disclosed in the Prospectus Supplement and no party other than the Company has any right in or to receive any of the net proceeds of the Offering, except as provided in this Agreement;
- (u) each of the Prospectus and the execution and filing of the Prospectus with the Securities Regulators have been or will be prior to the filing or use thereof duly approved and authorized by all necessary action by the Company, and the Prospectus will be duly executed by and filed on behalf of the Company;
- (v) the attributes of the Offered Shares will conform in all material respects with the description thereof in the Prospectus Supplement, this Agreement and the Supplementary Materials;
- (w) the Financial Statements have been prepared in conformity with IFRS applied on a consistent basis throughout the periods involved, contain no misrepresentations and present fairly in all material respects the financial position, results of operations and cash flows of the Company on a consolidated basis as at the dates of such statements and there has been no adverse material change in the financial position of the Company since December 31, 2020. Since December 31, 2020, there has been no material change, other than in the normal course of business, by the Company in its accounting policies, methods, practices or principles, except as disclosed in the notes to the Financial Statements with respect to periods ending prior to the date of this Agreement;

- (x) the Company has no liability or obligation, whether direct, indirect, absolute, contingent or otherwise that is not disclosed or reflected in the Financial Statements except those incurred in the ordinary course of business by the Company since December 31, 2020 that are recorded in the books and records of the Company or as described in the Public Disclosure Documents;
- (y) the Company and the Subsidiaries are the absolute legal and beneficial owners, and have good and valid title to, all of their material property and assets free and clear of all Encumbrances and defects of title except such as are disclosed in the Public Disclosure Documents or such as are not material, individually or in the aggregate, to the Company on a consolidated basis, and (A) no other material property or assets are necessary for the conduct of the business of the Company or the Subsidiaries as currently conducted, (B) the Company has no knowledge of any claim or the basis for any claim that might or could materially and adversely affect the right of the Company or the Subsidiaries to use, transfer or otherwise exploit such property or assets, and (C) other than in the ordinary course of business and as disclosed in the Public Disclosure Documents, neither the Company nor the Subsidiaries has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;
- (z) the Company's Former Auditor was "independent" with respect to the Company at all relevant times within the meaning of the Rules of Professional Conduct of the Chartered Accountants of British Columbia;
- (aa) there has never been a reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations*) with the Company's Former Auditor;
- (bb) except as disclosed in the Public Disclosure Documents, the Company maintains accurate books and records reflecting its assets and liabilities and maintains proper and adequate internal accounting controls that provide assurance that: (i) material transactions are executed with management's authorization; (ii) material transactions are recorded as necessary to permit preparation of consolidated financial statements of the Company and to maintain accountability for the Company's consolidated assets; and (iii) accounts, notes and other receivables and inventory are recorded accurately, and proper and adequate procedures are implemented to effect the collection thereof on a current and timely basis;
- (cc) except for the Underwriters and any Selling Firm that may be appointed by the Underwriters, there are no persons, firms or corporations acting or, to the knowledge of the Company, purporting to act at the request of the Company, who are entitled to any brokerage, agency, advisory fee or finder's fee in connection with the Offering or transactions contemplated herein;
- (dd) each of the Company and the Subsidiaries:

- (i) has duly and timely made or prepared all tax returns required to be made or prepared by it, has duly and timely filed in the prescribed form all tax returns required to be filed by it with the appropriate Governmental Authority and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;
- (ii) has (A) duly and timely paid all taxes due and payable by it other than those which are being or have been contested in good faith and in respect of which reserves have been provided in the most recently published financial statements of the Company, (B) duly and timely withheld all taxes and other amounts required by Applicable Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Authority such taxes and other amounts required by Applicable Laws to be remitted by it, and (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any such amounts required by Applicable Laws to be remitted by it;
- (iii) is of the opinion that the charges, accruals and reserves for taxes reflected on the Financial Statements (whether or not due and whether or not shown on any tax return but excluding any provision for deferred income taxes) are adequate under IFRS to cover taxes with respect to the Company accruing through the date hereof; and
- (iv) except as disclosed to the Underwriters in writing represents that there are no disputes, proceedings, investigations, audits, assessments, reassessments or claims now pending or to the knowledge of the Company, threatened against the Company that propose to assess material taxes in addition to those reported in the tax returns. There are no liens for taxes upon any of the assets or properties that have not been paid by the Company;
- (ee) based on the current provisions of the Tax Act and regulations thereunder, at the Closing Date, the Offered Shares, if issued on that date, will be qualified investments for a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account or a deferred profit sharing plan (as each is defined in the Tax Act), provided that the Offered Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes Tiers 1 and 2 of the TSXV) or the Company qualifies as a "public corporation" other than a "mortgage investment corporation" for the purposes of the Tax Act.
- (ff) the material operations carried on by the Company or any of the Subsidiaries are in material compliance with all applicable federal, provincial, state and

municipal environmental, health and safety statutes, regulations and permits. None of the material operations of the Company or any of the Subsidiaries are subject to any judicial or administrative proceeding alleging the material violation of any federal, provincial, state or municipal environmental, health or safety statute or regulation or is subject to any investigation concerning whether any remedial action is needed to respond to a release of any Hazardous Material (as defined below) into the environment. Except in material compliance with applicable environmental laws, none of the premises currently occupied by the Company or any of the Subsidiaries has at any time been used by the Company or any of the Subsidiaries or, to the knowledge of the Company, by any other occupier, as a waste storage or waste disposal site or to operate a waste management business. The Company and each of the Subsidiaries have no material contingent liability of which the Company has knowledge in connection with any release of any Hazardous Material on or into the environment from any of the premises currently occupied by the Company or any of the Subsidiaries or from the operations carried out thereon except to the extent such release is in material compliance with all applicable laws or to the extent such non-compliance, if any, would not have a Material Adverse Effect. Neither the Company nor any of the Subsidiaries, nor, to the knowledge of the Company, any occupier of the premises currently occupied by the Company or any of the Subsidiaries, generates, transports, treats, stores or disposes of any waste, subject waste, hazardous waste, deleterious substance, industrial waste (as defined in applicable federal, provincial, state or municipal legislation) on any of the premises currently occupied by the Company or any of the Subsidiaries in contravention of applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment or human health except to the extent that any such contravention would not have a Material Adverse Effect. No underground storage tanks or surface impoundments containing a petroleum product or Hazardous Material are located on any of the premises currently occupied by the Company or any of the Subsidiaries in contravention of applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment or human health, except to the extent that any such contravention would not have a Material Adverse Effect. For the purposes of this subparagraph, "Hazardous Material" means any contaminant, pollutant, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance that when released into the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health and, without restricting the generality of the foregoing, includes any contaminant, pollutant, subject waste, deleterious substance, industrial waste, toxic matter or hazardous waste as defined by applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment or human health;

- (gg) the Company and each of the Subsidiaries is entitled to use, without payment of any royalty or other fee all of the Intellectual Property now used by the Company or the Subsidiaries in the course of carrying on its business. Except as

disclosed to the Underwriters in writing, neither the Company nor any of the Subsidiaries has received any written notice claiming that the conduct of its business infringes upon the Intellectual Property rights of any other person, firm or corporation;

- (hh) neither the Company nor any of the Subsidiaries has approved, is contemplating, has entered into any agreement in respect of, or has any knowledge of:
 - (i) the purchase of any material property or any material interest therein or the sale, transfer or other disposition of any material property or any material interest therein currently owned, directly or indirectly, by the Company or any of the Subsidiaries whether by asset sale, transfer of shares, or otherwise; or
 - (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the assets of the Company) of the Company or any of the Subsidiaries;
- (ii) since the commencement of the listing of the Common Shares on the TSXV, no order ceasing or suspending trading in securities of the Company or prohibiting the sale of securities by the Company has been issued by the TSXV or any Securities Regulator, and no proceedings for this purpose have been instituted, pending or are, to the knowledge of the Company, contemplated or threatened;
- (jj) during the previous 12 months from the date hereof, neither the Company nor any of the Subsidiaries has, 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 shares or securities or agreed to do any of the foregoing, other than intercompany dividends between the Company and/or its Subsidiaries;
- (kk) other than as disclosed in its Financial Statements, the Company does not have any material loans or other indebtedness outstanding that have been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the Tax Act) and there are no Contracts or other transactions currently in place between the Company on the one hand, and (i) to the knowledge of the Company, any officer or director of the Company; (ii) to the knowledge of the Company, any holder of record or, to the knowledge of the Company, beneficial owner of 10% or more of the Common Shares; and (iii) to the knowledge of the Company, any affiliate or associate of any such, officer, director, holder of record or beneficial owner, on the other hand;
- (ll) the forms and terms of the certificates representing the Common Shares and Underwriters' Warrants have been approved and adopted by the board of directors of the Company and the form and terms of the certificate representing the Common Shares and Underwriters' Warrants do not and will not conflict with any Applicable Laws or the rules and policies of the TSXV;

- (mm) there is not presently any material change relating to the Company or any of the Subsidiaries or change in any material fact relating to the Company or any of the Subsidiaries required to be disclosed in accordance with Canadian Securities Laws, which has not been or will not be fully disclosed in accordance with the requirements of the Canadian Securities Laws;
- (nn) the Company has not withheld, and will not withhold from the Underwriters, until the completion of the distribution of the Offered Shares, any material facts or material changes relating to the Company or any of the Subsidiaries;
- (oo) except for any voting support agreements between the Company and its shareholders, all of which are disclosed in the Public Disclosure Documents, neither the Company nor any of the Subsidiaries is party to any unanimous shareholder agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Company or any of the Subsidiaries;
- (pp) the directors of the Company and their compensation arrangements with the Company are disclosed in the Public Disclosure Documents to the extent required by Canadian Securities Laws; all of the Contracts and agreements of the Company and each of the Subsidiaries not made in the ordinary course of business have been disclosed to the extent required in accordance with Canadian Securities Laws; the Company is not in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Company under any Contract or other material instrument, document or arrangement (including all option agreements) to which the Company is a party or otherwise bound and all such material contracts, agreements or arrangements (including all option agreements) are in good standing, and no event has occurred that with notice or lapse of time or both would constitute such a default by the Company; and no material labour dispute with the employees of the Company or any of the Subsidiaries exists or, to the knowledge of the Company, is imminent;
- (qq) the minute books and records of the Company and each of the Subsidiaries, which the Company and each of the Subsidiaries has made available to the Underwriters and their counsel in connection with their due diligence investigation of the Company and each of the Subsidiaries, for the period from inception to the date of examination thereof, are all of the minute books and records of the Company and each of the Subsidiaries for such period and contain copies of all constating documents and all proceedings of securityholders and directors (and committees thereof) (or drafts pending the approval thereof) and are complete in all material respects. There have been no other material meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the Company and each of the Subsidiaries during such period not reflected in such minute books and other records.

- (rr) the Company is a "reporting issuer" that is not included in a list of defaulting reporting issuers (or the equivalent) maintained by any of the Securities Regulators and, without limiting the generality of the foregoing, the Company has at all times complied with its obligations to make timely disclosure of all material changes relating to it and there is no material change relating to the Company that has occurred and with respect to which the requisite material change report has not been filed with the requisite securities commissions, except to the extent that the offering of the Offered Shares constitutes a material change;
- (ss) neither the Company nor the Subsidiaries nor, to the knowledge of the Company, any director, officer or employee of the Company or the Subsidiaries has taken any action, directly or indirectly, that could result in a sanction for violation by such persons of the *Foreign Corrupt Practices Act* of 1977 or the *Corruption of Foreign Public Officials Act* (Canada), each as may be amended, or similar law of any other relevant jurisdiction, or the rules or regulations thereunder; and the Company has instituted and maintains policies and procedures designed to ensure compliance therewith. No part of the proceeds of the Offering will be used, directly or indirectly, in violation of the *Foreign Corrupt Practices Act* of 1977 or the *Corruption of Foreign Public Officials Act* (Canada), each as may be amended, or similar law of any other relevant jurisdiction, or the rules or regulations thereunder;
- (tt) the operations of the Company and the Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or the Subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened;
- (uu) neither the Company nor the Subsidiaries nor, to the knowledge of the Company, any director, officer, agent or employee of the Company or the Subsidiaries (i) is, or is controlled by or is acting on behalf of, an individual or entity that is currently the subject of any sanctions administered or enforced by the United States (including any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), Canada (including sanctions administered or enforced by the Office of the Superintendent of Financial Institutions or other relevant sanctions authority) (collectively, "**Sanctions**"), (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory or (iii) will, directly or indirectly, use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner

or other individual or entity in any manner that would result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any individual or entity (including any individual or entity participating in the Offering, whether as underwriter, advisor, investor or otherwise); and

- (vv) except as disclosed in the Public Disclosure Documents, the Company has not completed any "**significant acquisition**" or "**significant disposition**", (as such terms are used in NI 44-101) that would require the inclusion of any additional financial statements or pro forma financial statements in the Prospectus pursuant to Canadian Securities Laws.

Section 8 Representations, Warranties and Covenants of the Underwriters. Each of the Underwriters hereby, severally and not jointly nor jointly and severally, represents, warrants and covenants to and with the Company and acknowledges that the Company is relying upon such representations, warranties and covenants, that:

- (a) Each of the Underwriters is a valid and subsisting corporation under the laws of the jurisdiction in which it was incorporated, continued or amalgamated;
- (b) Each of the Underwriters has good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (c) in respect of the offer and sale of the Offered Shares to Purchasers (including the Substituted Purchasers), the Underwriters will, and will require any Selling Firm and will cause the U.S. Placement Agents to agree to, comply with applicable Canadian Securities Laws and the applicable securities laws of the Selling Jurisdictions outside of Canada in connection with the issuance and sale of the Offered Shares;
- (d) the Underwriters have offered and will offer, and will require any Selling Firm to offer, for sale to potential purchasers (including the Substituted Purchasers) and sell the Offered Shares only in the Selling Jurisdictions where they may be lawfully offered for sale and sold;
- (e) the Underwriters, the U.S. Placement Agents and their respective representatives have not engaged in or authorized, and will not engage in or authorize, activities that would constitute Directed Selling Efforts in the United States with respect to the Offered Shares or any form of General Solicitation or General Advertising in connection with or in respect of the Offered Shares;
- (f) the Underwriters will not, will cause the U.S. Placement Agents not to, and will require any Selling Firm to agree not to, directly or indirectly, offer, solicit offers to purchase or sell the Offered Shares to Purchasers so as to require registration of the Offered Shares or filing of a prospectus or registration statement in respect thereof in the United States, and will cause the U.S. Placement Agents and require any Selling Firm to agree that any offer or sale of Offered Shares in the

United States will be made only in accordance with the terms and conditions set out in Schedule "A" hereto;

- (g) each of the Underwriters is registered or exempt from registration under the applicable Canadian Securities Laws to conduct the activities contemplated by this Agreement; and
- (h) Leede will, on behalf of the Underwriters, provide a completion of distribution certificate to the Company as soon as practicable following the Closing Date.

Section 9 Commission and Underwriters' Warrants

- (1) In consideration for the services rendered by the Underwriters hereunder, the Company will pay a cash commission (the "**Commission**") at Closing to the Underwriters equal to 7% of the gross proceeds from the sale of the Offered Shares sold pursuant to the Offering including, if applicable, any gross proceeds from the exercise of the Over-Allotment Option, subject to a reduced fee of 3.5% of up to \$2,500,000 of the Offered Shares sold by the Underwriters to certain purchasers designated by the Company on a president's list (the "**President's List**").
- (2) In addition to the Commission, the Company agrees to issue and deliver to the Underwriters that number of warrants (the "**Underwriters' Warrants**") as is equal to 7.0% of the Offered Shares sold under the Offering, including, if applicable, any Offered Shares sold pursuant to the exercise of the Over-Allotment Option, subject to a reduced number of Underwriters' Warrant Shares equal to 3.5% for up to \$2,500,000 of the Offered Shares sold by the Underwriters to purchasers on the President's List. Each Underwriters' Warrant will be exercisable into one Common Share (the "**Underwriters' Warrant Shares**") for up to 36 months from the Closing Date at an exercise price of \$0.50 per Underwriters' Warrant Share.
- (3) The Company covenants that the certificates representing the Underwriters' Warrants will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Underwriters' Warrant Shares issued upon exercise of the Underwriters' Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares and the payment of stock dividends with respect thereto.

Section 10 Closing Deliveries.

- (1) The purchase and sale of the Offered Shares will be completed at the Closing Time at the offices of McMillan LLP in Vancouver, British Columbia, or at such other place as the Company and Leede may agree upon. At or prior to the Closing Time the Company will, subject to the provisions of Section 11, duly and validly deliver to Leede, or arrange for the delivery thereto of the Offered Shares whether by way of electronic deposit or delivery of one or more certificates in definitive form, in each case to be registered in the name of "**CDS & Co.**" or such other name or names as Leede may direct in writing, against payment at the direction of the Company, in lawful money of Canada, by wire transfer payable at par in the City of Vancouver, British Columbia, of an amount equal

to the aggregate subscription price for the number of Offered Shares being issued and sold hereunder less the Commission and all of the estimated and reasonable out-of-pocket expenses of the Underwriters payable by the Company to the Underwriters in accordance with Section 11 hereof.

Section 11 Closing Conditions.

- (1) The Underwriters' obligation to purchase the Offered Shares, or to offer for sale the Offered Shares, at the Closing Time will be conditional upon the fulfilment at or before the Closing Time of the following conditions:
 - (a) the Company will have materially complied with all the covenants and materially satisfied all of the terms and conditions of this Agreement on its part to be complied with and materially satisfied at or prior to the Closing Time, and the representations and warranties of the Company contained in this Agreement will be true and correct in all material respects as at the Closing Time with the same force and effect as if made on and as at the Closing Time;
 - (b) the Underwriters will have received at the Closing Time a certificate dated the Closing Date, signed by each of the Chief Executive Officer and Chief Financial Officer of the Company and addressed to the Underwriters, with respect to (i) the constating documents of the Company, (ii) all resolutions of the Company's board of directors relating to the Offering and the Transaction Documents, and (iii) the incumbency and specimen signatures of signing officers;
 - (c) the Underwriters will have received at the Closing Time evidence that all requisite approvals, consents and acceptances of the appropriate regulatory authorities required to be made or obtained by the Company in order to complete the Offering have been made or obtained;
 - (d) the TSXV will have issued its conditional acceptance for the Offering, including the conditional approval for the listing and trading of the Offered Shares and the Underwriters' Warrant Shares on the TSXV;
 - (e) the Underwriters will have received a letter from Computershare Investor Services Inc., in its capacity as Transfer Agent and addressed to the Company, as to the number of Common Shares issued and outstanding as of the close of business on the date prior to the Closing Date;
 - (f) no order ceasing or suspending trading in any securities of the Company, or prohibiting the trade or distribution of any of the securities of the Company will have been issued and no proceedings for such purpose, to the best of the knowledge of the Company, will be pending or threatened;
 - (g) no Underwriter will have exercised any rights of termination set forth in this Agreement;

- (h) the Underwriters will have received legal opinions addressed to the Underwriters dated the Closing Date, from McMillan LLP, counsel to the Company, or local counsel with respect to those matters governed by the laws of the Selling Jurisdictions, in form and substance satisfactory to Leede, acting reasonably (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, (ii) as to the issued and outstanding capital of the Company, on a letter from the Transfer Agent addressed to the Company, and (iii) as to matters of fact not independently established, on certificates of public officials), as to the following matters:
- (i) as to the incorporation and subsistence of the Company and as to the corporate power of the Company to carry out its obligations under the Transaction Documents and to issue the Offered Shares and the Underwriters' Warrants, and issue the Underwriters' Warrant Shares upon exercise of the Underwriters' Warrants, and to grant the Over-Allotment Option;
 - (ii) as to the authorized capital of the Company;
 - (iii) that the attributes of the Offered Shares are consistent and conform with the description under "Description of Securities - Common Shares" in the Final Base Shelf Prospectus;
 - (iv) that all necessary corporate actions have been taken by the Company to authorize the execution and delivery of Transaction Documents and the certificates representing the Offered Shares, if any, and the Underwriters' Warrants and the performance by the Company of its obligations hereunder and thereunder;
 - (v) that the Transaction Documents have been duly authorized, executed and delivered on behalf of the Company, and constitute legal, valid and binding obligations of the Company, enforceable against it in accordance with their terms, subject to standard assumptions and qualifications including that the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;
 - (vi) that the execution and delivery of the Transaction Documents and the certificates representing the Offered Shares, if any, and the Underwriters' Warrants and the performance by the Company of its obligations hereunder and thereunder, including the issuance and sale of the Offered Shares and issuance of the Underwriters' Warrants and the issuance of Underwriters' Warrant Shares upon exercise of the Underwriters' Warrants does 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) the provisions of the *British Columbia Business Corporations Act* or the regulations thereunder, or (B) the notice of articles or articles of the Company;

- (vii) that the Underwriters' Warrants have been validly created, executed and issued by the Company and constitute valid and binding documents of the Company enforceable against it in accordance with their terms;
- (viii) that the Underwriters' Warrant Shares have been duly authorized and validly allotted for issuance by the Company and, when issued in accordance with the terms of the Underwriters' Warrants, will be outstanding as fully paid and non-assessable shares;
- (ix) the Firm Shares have been allotted for issuance, and upon full payment therefor, will be validly issued as fully paid and non-assessable Common Shares;
- (x) the Optioned Common Shares have been duly allotted and reserved for issuance by the Company and upon exercise of the Over-Allotment Option and full payment therefor, will be validly issued as fully paid and non-assessable Common Shares;
- (xi) that Computershare Investor Services Inc. has been appointed by the Company as the Transfer Agent;
- (xii) that the Company is a reporting issuer or its equivalent in each of the Qualifying Provinces and it is not listed in default of any of the requirements of applicable Canadian Securities Laws in any of the Qualifying Provinces;
- (xiii) that all necessary documents have been filed, all requisite proceedings have been taken and all necessary approvals, permits and consents have been obtained by the Company to qualify the distribution of the Offered Shares in each Qualifying Province through persons who are registered under applicable Canadian Securities Laws and who have complied with the relevant provisions of such applicable Canadian Securities Laws;
- (xiv) the issuance of the Underwriters' Warrant Shares by the Company upon the exercise of the Underwriters' Warrants is exempt from the prospectus requirements of Canadian Securities Laws and no documents are required to be filed, no proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Company under Canadian Securities Laws to permit such issuance and sale, subject only to the filing of the requisite forms under Canadian Securities Laws;

- (xv) the first trade in the Underwriters' Warrant Shares underlying the Underwriters' Warrants is exempt from the prospectus requirements of applicable Canadian Securities Laws and no prospectus or other document is required to be filed, no proceeding is required to be taken and no approval, permit, consent or authorization of regulatory authorities is required to be obtained by the Company under applicable Canadian Securities Laws to permit such trade through registrants registered under Canadian Securities Laws who have complied with such laws and the terms and conditions of their registration, provided that (A) such trade is not a "control distribution" as that term is defined in National Instrument 45-102 - Resale of Securities at the time of such trade, and (B) such first trade is not a transaction or series of transactions involving a purchase and sale or a repurchase and resale in the course of or incidental to a distribution; and
- (xvi) as to the accuracy of the statements under the headings "Eligibility for Investment" in the Prospectus Supplement;
- (i) the Underwriters will have received legal opinions addressed to the Underwriters dated the Closing Date, from counsel to the Company, in form and substance satisfactory to Leede, acting reasonably (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 (ii) as to matters of fact not independently established, on certificates of public officials), as to the following matters:
 - (i) that each Subsidiary is a corporation existing under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, as the case may be;
 - (ii) the authorized and issued capital and the registered ownership of the issued securities of each of the Subsidiaries;
- (j) if any Offered Shares are sold to Purchasers in the United States, the Underwriters receiving at the Closing Time a favourable legal opinion addressed to the Underwriters, in form and substance satisfactory to the Underwriters, acting reasonably, dated as of the Closing Date, from United States counsel to the Company, to the effect that registration of the Offered Shares will not be required under the U.S. Securities Act in connection with the offer and sale of such Offered Shares in the United States pursuant to this Agreement, including the Schedule "A" hereto;
- (k) the Underwriters shall have received a letter dated as of the Closing Date in form and substance satisfactory to the Underwriters, addressed to the Underwriters and the directors of the Company from the Company's Former Auditors confirming the continued accuracy of the comfort letter to be delivered to the Underwriters pursuant to Section 4(5)(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 Underwriters;

- (l) the Underwriters shall have received a certificate of good standing (or equivalent) in respect of the Company and the Subsidiaries as at a date no more than three Business Day prior to the Closing Date;
- (m) the Underwriters shall have received certificates or lists, issued under the Canadian Securities Laws of the Qualifying Provinces stating or evidencing that the Company is not in default under such Securities Laws as at a date no more than two Business Days prior to the Closing Date; and
- (n) the Underwriters shall have received such further documents as may be contemplated by this Agreement or as the Underwriters may reasonably require.

Section 12 Option Closing

- (1) The Underwriters obligation to purchase the Optioned Common Shares pursuant to the Over-Allotment Option on the Option Closing Date (in the event that the Over-Allotment Option is exercised) shall be subject to the accuracy of the representations and warranties of the Company contained in this Agreement as of the Option Closing Date and the performance by the Company of its obligations under this Agreement. If the Option Closing Date occurs more than two Business Days after the Closing Date, the Company agrees to provide such certificates, agreements, materials or documents contemplated by Section 11 of this Agreement as the Underwriters may reasonably request.

Section 13 Rights of Termination.

- (1) All terms and conditions set out in this Agreement will be construed as conditions and any material breach or failure by the Company to comply with any such conditions in favour of the Underwriters will entitle the Underwriters (or any one of them) to terminate their obligation to purchase the Offered Shares pursuant to the Offering by written notice to that effect given to the Company prior to the Closing Time. The Company will use commercially reasonable efforts to cause all conditions in this Agreement to be satisfied. It is understood that the Underwriters may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any subsequent breach or non-compliance, provided that to be binding on an Underwriter, any such waiver or extension must be in writing and signed by such Underwriter.
- (2) In addition to any other remedies which may be available to the Underwriters in respect of any default, act or failure to act, or non-compliance with the terms of this Agreement by the Company, each of the Underwriters will be entitled, at its option, to terminate and cancel, without any liability on the part of such Underwriter, its obligations under this Agreement to purchase the Offered Shares pursuant to the Offering by giving written notice to the Company at any time after the date hereof and prior to the Closing Time, if:

- (a) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Common Shares or any other securities of the Company is made or threatened by a securities regulatory authority, which order has not been rescinded, revoked or withdrawn;
 - (b) there shall be any material change or change in any material fact or a new material fact shall arise which has or would be expected to have, in the opinion of the Underwriters (or any of them) a material adverse effect on the business, affairs or financial condition of the Company or its subsidiaries, taken as a whole, or on the market price or value of the securities of the Company;
 - (c) any inquiry, action, suit, investigation or other proceeding, whether formal or informal (including matters of regulatory transgression or unlawful conduct), is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the Exchange or any securities regulatory authority (except for any inquiry, action, suit, proceeding, investigation or order based upon activities of the Underwriter (or any of them) and not upon activities of the Company) which, in the opinion of the Underwriter (or any of them), acting reasonably, operate to prevent or restrict materially the trading of the securities of the Company or materially adversely affect or will materially adversely affect the market price or value of the securities of the Company;
 - (d) 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 terrorism or accident and excluding the COVID-19 pandemic except in the event of a unexpected and currently unpredictable material escalation in the severity of the COVID-19 pandemic from the date hereof) or any new law or regulation is enacted (including a change in any existing law or regulation), which in the opinion of the Underwriter (or any of them), seriously adversely affects, or involves, or will, or could reasonably be expected to, seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Company and its subsidiaries, taken as a whole; or
 - (e) the Company is in breach of any material term, condition or covenant of the Agreement or any representation or warranty given by the Company in the Agreement becomes or is false in any material respect and cannot be cured.
- (3) The Underwriters will use their commercially reasonable efforts, where applicable, to give notice to the Company (in writing or by other means) of the occurrence of any of the events referred to in Section 13; provided, that, neither the giving nor the failure to give such notice will in any way affect the entitlement of any of the Underwriters to exercise this right at any time prior to or at the Closing Time.

- (4) If the obligations of the Underwriters under this Agreement are terminated pursuant to the termination rights in this Section 13, the liability of the Company to the Underwriters will be limited to the obligations under Section 14 and Section 16.
- (5) The right of the Underwriters (or any of them) to terminate their obligations under this Agreement pursuant to this Section 13 is in addition to any other remedies they may have in respect of any rights contemplated by this Agreement. A notice of termination given by one Underwriter under this Section 13 will not be binding upon the other Underwriters.

Section 14 Expenses.

Whether or not the Offering is completed, the Company will pay all reasonable costs and expenses incurred in connection with the Offering, including: (a) the fees and expenses of the Underwriters (including the reasonable fees and disbursements plus taxes thereon, of the Underwriters' Canadian legal counsel up to a maximum of \$100,000, not including taxes and disbursements) and all out-of-pocket expenses of the Underwriters in connection with the Offering; (b) all expenses of or incidental to the creation, issue, sale and distribution of the Offered Shares pursuant to the Prospectus; (c) the fees and expenses of counsel and auditors to the Company, and the Transfer Agents; and (d) all applicable filing and regulatory fees. All costs and expenses of the Underwriters will be deducted from the gross proceeds of the Offering with receipt of payment acknowledged.

Section 15 Survival of Representations and Warranties.

All warranties, representations, covenants and agreements herein contained or contained in any documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated will survive the purchase and sale of the Offered Shares and continue in full force and effect for the benefit of the Company, the Underwriters and the Purchasers, as the case may be, until the later of: (i) the second anniversary of the Closing Date; and (ii) the latest date under the Canadian Securities Laws relevant to a Purchaser that a Purchaser may be entitled to commence an action or exercise a right of rescission with respect to a misrepresentation contained in the Prospectus, and neither the Underwriters nor the Purchasers may be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the Offering. Notwithstanding the foregoing, any provisions contained in this Agreement in any way related to indemnification or contribution obligations will survive and continue, in full force and effect, indefinitely.

Section 16 Indemnity.

- (1) The Company agrees to indemnify and hold harmless the Underwriters and each of their subsidiaries, and each of their respective directors, officers, employees, partners, agents, each other person, if any, controlling the Underwriters or any of its subsidiaries and each of the shareholders of the Underwriters (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**"), from and against any and all losses (other than losses of profits), expenses, claims (including shareholder actions, derivative or otherwise), actions, damages, not including indirect, special and consequential damages, and liabilities, joint or several, including the aggregate amount paid in

reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made against any Indemnified Party or in enforcing this indemnity (collectively, the "Claims") to which any Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the Underwriter's proper performance in connection with the Offering.

- (2) The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on behalf of or in right of the Company for or in connection with the Engagement except to the extent any losses, expenses, claims, actions, damages or liabilities incurred by the Company have resulted from the negligence, breach of applicable laws, breach of applicable laws, breach of this Agreement or wilful misconduct or fraud of such Indemnified Party.
- (3) The Company will not, without Leede's prior written consent, which shall not be unreasonably withheld or delayed, settle, compromise, consent to the entry of any judgement in or otherwise seek to terminate any action, suit, proceeding, investigation or claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Indemnified Party from any liabilities arising out of such action, suit, proceeding, investigation or claim.
- (4) The foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable shall determine that such Claim, losses, expenses, claims, actions, damages or liabilities to which the Indemnified Party may be subject were caused by or resulted from a breach of this Agreement by that Indemnified Party or the negligence, fraud, breach of law or wilful misconduct of that Indemnified Party. If and to the extent a Claim was caused by or resulted from an Indemnified Party's breach of this Agreement, breach of applicable laws, or its, his or her negligence, fraud or wilful misconduct, such Indemnified Party shall forthwith reimburse any funds advanced by the Company to the Indemnified Party pursuant to this indemnity in respect of such Claim.
- (5) If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Underwriters or any other Indemnified Party or is insufficient to hold the Underwriters or any other Indemnified Party harmless, the Company shall contribute to the amount paid or payable by the Underwriters or any other Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Company, on the one hand, and the Underwriters or any other Indemnified Party, on the other hand, but also the relative fault of the Company, the Underwriters or any other Indemnified Party as well as any relevant equitable considerations, provided that the Company shall in any event contribute to the amount paid or payable by the Underwriters or any other Indemnified Party as a result of such Claim, other than upon the occurrence of any of the events which would render

this indemnity inapplicable, any excess of such amount over the aggregate amount of the fees, commissions and other consideration received by the Underwriters under this Agreement.

- (6) Promptly after receiving notice of an action, suit, proceeding, investigation or claim against the Underwriters or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon or involves any matter in respect of which indemnification may be sought from the Company, the Underwriters or any such other Indemnified Party will notify the Company in writing of the particulars thereof and provide copies of all relevant documentation to the Company, provided that the omission so to notify the Company shall not relieve the Company of any liability which it has to the Underwriter or any other Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the defence of such action, suit, proceeding, investigation or claim or results in any material increase in the liability which the Company has under this indemnity.
- (7) The Company shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any Claim, provided such defence is conducted by counsel of good standing acceptable to the Underwriter, acting reasonably. Upon the Company notifying the Underwriters or any such other Indemnified Party in writing of its election to assume the defence and retaining counsel, the Company shall not be liable to the Underwriters or any Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is not assumed by the Company, the Indemnified Party throughout the course thereof, shall provide copies of all relevant documentation to the Company, shall keep the Company advised of the progress thereof and shall discuss with the Company all significant actions proposed. If such defence is assumed by the Company, the Company throughout the course thereof will provide copies of all relevant documentation to the Indemnified Party, will keep the Indemnified Party advised of the progress thereof and will discuss with the Indemnified Party all significant actions proposed.
- (8) The Underwriters may retain one counsel to separately represent them in the defence of a Claim, which shall be at the Company's expense if (i) the Company does not promptly assume the defence of the Claim, (ii) the Company agrees to separate representation or (iii) the Underwriters are advised by counsel in writing that there is an actual or potential conflict in the Company's and the Underwriters' respective interests or additional defences are available to the Underwriters, which makes representation by the same counsel inappropriate; provided that in any event the Company will not be responsible for the costs of more than one counsel for all of the Indemnified Parties.
- (9) The obligations of the Company hereunder are in addition to any liabilities which the Company may otherwise have to the Underwriters or any other Indemnified Party.

Section 17 Actions by Leede on behalf of the Underwriters

All steps which must or may be taken by the Underwriters in connection with this Agreement, with the exception of the matters relating to termination or waiver contemplated by

Section 13 or any matter relating to indemnification or contribution contemplated by Section 16, may be taken by Leede on behalf of the Underwriters, and the execution of this Agreement by the Company will constitute the Company's authority for accepting notification of any such steps from, and for delivering the definitive documents constituting the Offered Shares to Leede. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture among the Underwriters.

Section 18 Obligations of the Underwriters.

The Underwriters' obligations under this Agreement will be several and not joint or joint and several, and the Underwriters' respective obligations and rights and benefits hereunder will be as to the following percentages:

Leede Jones Gable Inc.	70%
PI Financial Corp.	25%
Paradigm Capital Inc.	5%
	<hr/>
	100%

If an Underwriter (a "**Refusing Underwriter**") does not complete the purchase and sale of the Offered Shares which such Underwriter has agreed to purchase hereunder for any reason whatsoever, the other Underwriters (the "**Continuing Underwriters**") will be entitled, at their option, to purchase all but not less than all of the Offered Shares which would otherwise have been purchased by the Refusing Underwriter on a pro rata basis according to the number of Offered Shares to have been acquired by the Continuing Underwriters hereunder or on such other basis as the Continuing Underwriters may agree. If the Continuing Underwriters do not elect to purchase the balance of the Offered Shares pursuant to the foregoing:

- (i) the Continuing Underwriters will not be obliged to purchase any of the Offered Shares that the Refusing Underwriter is obligated to purchase; and
- (ii) the Company will not be obliged to sell less than all of the Offered Shares,

and the Company will be entitled to terminate its obligations under this Agreement arising from its acceptance of this offer, in which event there will be no further liability on the part of the Company or the Continuing Underwriters, except pursuant to the provisions of Section 14 and Section 16.

Section 19 Advertisements.

The Company acknowledges that the Underwriters will have the right at their own expense to place such advertisement or advertisements relating to the sale of the Offered Shares contemplated herein as the Underwriters may consider desirable or appropriate and as may be permitted by Applicable Laws. Each of the Company and the Underwriters agree that it will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and

registration requirements of applicable Canadian Securities Laws or the securities legislation in any other jurisdiction in which the Offered Shares will be offered or sold being unavailable in respect of the sale of the Offered Shares to prospective purchasers. In addition, if required by Applicable Laws, any press release announcing or otherwise referring to the Offering shall include a prominent notation on the top of the first page as follows and shall otherwise comply with Rule 135e under the U.S. Securities Act:

"Not for distribution to United States newswire services or for dissemination in the United States."

Section 20 Market Stabilization

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

Section 21 Notices.

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") will be in writing addressed as follows:

- (a) If to the Company, to:

Plurilock Security Inc.
1021 West Hastings Street
MNP Tower, 9th Floor
Vancouver, BC V6E 0C3

Attention: Ian Paterson, Chief Executive Officer
Email: ian@plurilock.com

with a copy to (which will not constitute notice to the Company):

McMillan LLP
Royal Centre, 1055 W Georgia St #1500,
Vancouver, BC V6E 4N7

Attention: Marina Tran
Email: Marina.Tran@mcmillan.ca

- (b) If to the Underwriters, to:

Leede Jones Gable Inc.
110 Yonge Street, Suite 1000
Toronto, ON M5C 1T4

Attention: [Redacted]
Email: [Redacted]

with a copy to (which will not constitute notice to the Underwriters):

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
100 King Street West
Toronto, ON M5X 1A4

Attention: Kim Lawton / Norman Findlay
Email: LawtonK@bennettjones.com / FindlayN@bennettjones.com

or to such other address as any of the parties may designate by notice given to the others.

Each notice must be personally delivered to the addressee or sent by e-mail transmission to the addressee and (i) a notice which is personally delivered will, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by e-mail will be deemed to be given and received on the first Business Day following the day on which it is sent.

Section 22 No Fiduciary Duty

The Company hereby acknowledges that (i) the purchase and sale of the Offered Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the Underwriters and any affiliate through which they may be acting to effect sales, on the other hand; (ii) such Underwriters are acting as principal and not as an agent or fiduciary of the Company; and (iii) the Company's engagement of the Underwriters in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether any of such Underwriters has advised or is currently advising the Company on related or other matters). The Company agrees that it will not claim that such Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company in connection with such transaction or the process leading thereto.

Section 23 Time of the Essence.

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

Section 24 Canadian Dollars.

All references herein to dollar amounts are to lawful money of Canada.

Section 25 Headings.

The headings contained herein are for convenience only and do not affect the meaning or interpretation hereof.

Section 26 Schedules.

The following Schedule is attached to this Agreement and deemed to be a part of and incorporated in this Agreement:

Schedule "A" - U.S. Offers and Sales

Section 27 Singular and Plural, etc.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender will include the masculine, feminine and neuter genders.

Section 28 Entire Agreement.

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

Section 29 Severability.

The invalidity or unenforceability of any particular provision of this Agreement must not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

Section 30 Successors and Assigns.

The terms and provisions of this Agreement will be binding upon and enure to the benefit of the Company, the Underwriters and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein, this Agreement may not be assigned by any party without the written consent of the others.

Section 31 Further Assurances.

Each of the parties hereto must do or cause to be done all such acts and things and will 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.

Section 32 Effective Date.

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

Section 33 Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

Section 34 Counterparts.

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 will form one and the same agreement.

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 delivering the same to the Underwriters.

Yours very truly,

LEEDE JONES GABLE INC.

By: (signed) "Jim Dale"
Jim Dale
Chief Executive Officer

PI FINANCIAL CORP.

By: (signed) "Dan Barnholden"
Dan Barnholden
Managing Director & Head of
Investment Banking

PARADIGM CAPITAL INC.

By: (signed) "Barry Richards"
Barry Richards
Managing Director, Investment
Banking

The foregoing is hereby accepted on the terms and conditions therein set forth.

DATED as of November 4, 2021.

PLURILOCK SECURITY INC.

By: (signed) "*Ian Paterson*"

Ian Paterson
Chief Executive Officer

Schedule "A"
U.S. Offers and Sales

Definitions

1. As used in this Schedule "A", the following terms will have the following meanings:

"**Directed Selling Efforts**" means "**directed selling efforts**" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S and related interpretations, case law and SEC staff pronouncements, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Offered Shares, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Shares;

"**FINRA**" means the Financial Industry Regulatory Authority, Inc.;

"**Foreign Issuer**" means a "**foreign issuer**" as that term is defined in Regulation S.

"**General Solicitation**" or "**General Advertising**" means "**general solicitation**" or "**general advertising**", as used in Rule 502(c) of Regulation D, including any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television, or the Internet or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"**Offshore Transaction**" means "**offshore transaction**" as that term is defined in Regulation S;

"**Qualified Institutional Buyer**" means a "**qualified institutional buyer**" as that term is defined in Rule 144A;

"**Regulation D**" means Regulation D adopted by the SEC under the *U.S. Securities Act*;

"**Regulation M**" means Regulation M adopted by the SEC under the *U.S. Exchange Act*;

"**Regulation S**" means Regulation S adopted by the SEC under the *U.S. Securities Act*;

"**Rule 144A**" means Rule 144A adopted by the SEC under the *U.S. Securities Act*;

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

"**Securities**" means the Offered Shares;

"**Substantial U.S. Market Interest**" means "**substantial U.S. market interest**" as that term is defined in Regulation S;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Person**" means a "**U.S. person**" as that term is defined in Regulation S; and

"**U.S. Placee**" means a Purchaser who is, or is acting for the account or benefit of, a U.S. Person or a person in the United States, or a person to whom the Offered Shares are offered or sold in the United States (including, for greater certainty, any person who executes a buy order for Offered Shares in the United States).

All other capitalized terms used but not otherwise defined in this Schedule "A" will have the meanings assigned to them in the underwriting agreement to which this Schedule "A" is attached.

A. Representations, Warranties and Covenants of the Company

The Company represents and warrants to and covenants with each of the Underwriters that offers or facilitates sales to a U.S. Placee and such Underwriters' U.S. Placement Agents that:

1. It is a Foreign Issuer with no Substantial U.S. Market Interest with respect to any of the Securities.
2. Except with respect to offers and sales in accordance with this Schedule "A" to (i) Qualified Institutional Buyers in reliance upon an exemption from registration available under Rule 144A and applicable state securities laws, neither the Company nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriters, their respective affiliates or any person acting on their behalf, in respect of which no representation is made) has made or will make any offer to sell, or any solicitation of an offer to buy, any Offered Shares to a person in the United States or to, or for the account or benefit of any U.S. Person.
3. None of the Company, its affiliates or any persons acting on its or their behalf (other than the Underwriters, the U.S. Placement Agents, their respective affiliates or any person acting on their behalf, in respect of which no representation is made) has made or will make any Directed Selling Efforts in the United States with respect to the offer and sale of the Offered Shares or has engaged or will engage in any form of General Solicitation or General Advertising with respect to the offer and sale of the Offered Shares or has acted in any manner involving a public offering within the meaning of Section 4(a)(2) of the *U.S. Securities Act* in the United States with respect to the offer and sale of the Offered Shares.
4. The Company is not, and as a result of the sales of the Offered Shares contemplated hereby will not be, an open-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered, or closed-end

investment company required to be registered but not registered, under the *United States Investment Company Act of 1940*, as amended.

5. The Company has not sold, offered for sale or solicited any offer to buy, during the period beginning six months prior to the start of the Offering, and will not sell, offer for sale or solicit any offer to buy during the period ending six months after the completion of the Offering, any of its securities in the United States in a manner that would be integrated with and would cause the exemption from registration provided by Rule 144A to be unavailable with respect to offers and sales of the Offered Shares pursuant to this Schedule "A" or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of Offered Shares to persons outside the United States who are not U.S. Persons or acting for the account or benefit of U.S. Persons.
 6. The Company will not take any action that would cause the exemptions or exclusions provided (i) Rule 144A and applicable state securities laws to be unavailable with respect to offers and sales of the Offered Shares by the Underwriters pursuant to this Schedule "A" or (ii) by Rule 903 of Regulation S to be unavailable with respect to offers and sales of the Offered Shares by the Company pursuant to this Schedule "A".
 7. None of the Securities is part of a class listed on a national securities exchange registered under Section 6 of the *U.S. Exchange Act*, quoted in an automated interdealer system in the United States (within the meaning of such term under Rule 144A), or convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted.
- B. Representations, Warranties and Covenants of certain Underwriters and U.S. Placement Agents

Each of the Underwriters that offers or facilitates sales to a U.S. Placee and such Underwriters' U.S. Placement Agents, represents and warrants to and covenants and agrees with the Company, severally and not jointly, that:

1. It acknowledges that the Securities have not been and will not be registered under the *U.S. Securities Act* or any U.S. state securities laws and may not be offered or sold except pursuant to an exclusion or exemption from the registration requirements of the *U.S. Securities Act* or any U.S. state securities laws. It has offered and sold and will offer and sell the Offered Shares only (i) outside the United States to non-U.S. Persons in Offshore Transactions in accordance with Rule 903 of Regulation S, or (ii) in the United States or to, or for the account or benefit of U.S. Persons or persons in the United States, as provided in this Schedule "A". Accordingly, neither the Underwriter, nor the U.S. Placement Agent, nor any persons acting on its or their behalf: (i) have engaged or will engage in any Directed Selling Efforts in the United

- States with respect to the Offered Shares; (ii) have engaged or will engage in any action in violation of Regulation M in connection with the offer and sale of the Securities; or (iii) except as permitted by this Schedule "A", have made or will make (x) any offers to sell, or solicitations of any offers to buy, Offered Shares in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, or (y) any sale of Offered Shares unless at the time the Purchaser made its buy order therefor, the Purchaser was outside the United States and was not a U.S. Person or acting for the account or benefit of a U.S. Person or a person in the United States, or the Underwriter, the U.S. Placement Agent or other person acting on any of their behalf reasonably believed that such Purchaser was outside the United States and not a U.S. Person, nor acting for the account or benefit of a U.S. Person or a person in the United States.
2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Shares, except with the U.S. Placement Agent or with the prior written consent of the Company.
 3. It, and the U.S. Placement Agent, are each Qualified Institutional Buyers.
 4. It will require the U.S. Placement Agent to agree, for the benefit of the Company, to comply with, and will use its best efforts to ensure that the U.S. Placement Agent complies with, the provisions of this Schedule "A" as if such provisions applied to such U.S. Placement Agent.
 5. All offers and sales of the Offered Shares in the United States or to or for the account or benefit of U.S. Persons will be effected by the U.S. Placement Agent in accordance with all applicable U.S. federal and state broker-dealer requirements and applicable FINRA rules. Such U.S. Placement Agent is, and will be on the date of each offer or sale of Offered Shares in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the *U.S. Exchange Act* and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the FINRA.
 6. Any offer, sale or solicitation of an offer to buy Offered Shares that has been made or will be made in the United States or to or for the account or benefit of U.S. Persons was or will be made only to Qualified Institutional Buyers in transactions that are exempt from registration pursuant to Rule 144A and exempt from registration under all applicable state securities laws. The Underwriters acknowledge that Rule 144A is a resale exemption and, accordingly, any Offered Shares sold to Qualified Institutional Buyers pursuant to Rule 144A will be sold by the Company to the Underwriters, as principal, and then resold by the Underwriters to the Qualified Institutional Buyers, with the U.S. Placement Agent acting as the Underwriter's selling agent for purposes of the Rule 144A resale transaction.

7. Each offeree of Offered Shares in the United States has been or shall be provided with a copy of the U.S. Private Placement Memorandum, including the Prospectus. Prior to any sale of Offered Shares to a U.S. Placee, each such U.S. Placee shall be provided with a copy of the U.S. Private Placement Memorandum, including the Prospectus, and no other written material was or will be used in connection with the offer or sale of the Offered Shares in the United States.
8. Offers and sales of Offered Shares in the United States and to or for the account or benefit of U.S. Persons have not been and will not be made by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the *U.S. Securities Act*.
9. At least one business day prior to the Closing Date, it will provide the Company's transfer agent with a list of all purchasers of the Offered Shares that are U.S. Placees, together with their addresses (including state of residence), the number of Offered Shares purchased and the registration and delivery instructions for the Offered Shares.
10. Immediately prior to offering Offered Shares to, or soliciting an offer to buy Offered Shares from, a U.S. Placee, it had reasonable grounds to believe and did believe that each U.S. Placee was a Qualified Institutional Buyer and, at the time of completion of each sale of Offered Shares to a U.S. Placee, it will have reasonable grounds to believe and will believe that such U.S. Placee is a Qualified Institutional Buyer.
11. Prior to any sale of Offered Shares in the United States, it will cause each U.S. Placee to execute and deliver to the Company, Leede, and the U.S. Placement Agents a U.S. Qualified Institutional Buyer Letter in the form attached as Exhibit I to the U.S. Placement Memorandum containing the Prospectus.
12. None of the Underwriters, the U.S. Placement Agents or any person acting on their behalf will solicit the exchange of the Offered Shares and will not pay, give or receive any commission or other remunerations, directly or indirectly, for soliciting the exchange of the Offered Shares.
13. All U.S. Placees will be informed that the Securities have not been and will not be registered under the *U.S. Securities Act* or applicable state securities laws and that the Offered Shares are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the *U.S. Securities Act* provided by Rule 144A and similar exemptions under applicable state securities laws.
14. At closing, the Underwriter, together with its U.S. Placement Agent, will provide a certificate, substantially in the form of Exhibit "A" to this Schedule, relating to the manner of the offer and sale of the Offered Shares in the United States, or will be deemed to have represented that they did not offer or sell any Offered Shares in the United States or to, or for the account or benefit of, any U.S. Persons.

Exhibit "A"
Underwriters Certificate

In connection with the private placement in the United States of the common shares (the "**Common Shares**") of Plurilock Security Inc. (the "**Company**") pursuant to the Underwriting Agreement dated November 4, 2021 among the Company and the Underwriters named therein, each of the undersigned hereby certifies to the Company as follows:

- (a) the U.S. Placement Agent is, and at all relevant times was, a duly registered broker or dealer under the *U.S. Exchange Act* and the securities laws of each state in which the U.S. Placement Agent offers or sells the Offered Shares (unless exempted from the respective broker-dealer registration requirements) and is a member of and in good standing with the FINRA on the date hereof and the date on which each offer was made by it in the United States, and all offers and sales of the Offered Shares in the United States have been effected by the U.S. Placement Agent in accordance with all U.S. federal and state broker-dealer requirements and all applicable FINRA rules;
- (b) all offers and sales of Offered Shares in the United States were made only through the U.S. Placement Agent;
- (c) immediately prior to offering, or soliciting any offer to buy, Offered Shares to, or for the account or benefit of, any U.S. Person or any person in the United States, it had reasonable grounds to believe and did believe that the U.S. Placee was a Qualified Institutional Buyer and, on the date hereof, it continues to believe that each such person in the United States or U.S. Person that is purchasing Offered Shares from it is a Qualified Institutional Buyer;
- (d) no form of General Solicitation or General Advertising was used by it in connection with the offer or sale of the Offered Shares in the United States;
- (e) it has not made any Directed Selling Efforts in the United States with respect to the Offered Shares;
- (f) prior to any sale of Offered Shares in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, it provided to the purchasers a copy of the U.S. Private Placement Memorandum, including the Prospectus, and caused such purchasers to execute a U.S. Qualified Institutional Buyer Letter in the form attached as Exhibit I thereto; and
- (g) the offering of the Offered Shares in the United States and to, or for the account or benefit of U.S. Persons, has been conducted by it in accordance with the terms of the Underwriting Agreement, including the Schedule "A" thereto.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement (including the Schedule "A" thereto) unless otherwise defined herein.

Dated this ● day of ●, 2021.

[UNDERWRITER]

By: _____

Name: ●

Title: ●

[U.S. PLACEMENT AGENT]

By: _____

Name: ●

Title: ●