UNDERWRITING AGREEMENT

September 9, 2024

Kits Eyecare Ltd.
1020 - 510 Seymour St.
Vancouver, BC V6B 3J5

Attention: Roger Hardy

0999849 B.C. Ltd.
1020 - 510 Seymour St.
Vancouver, BC V6B 3J5

Attention: Roger Hardy

Hardy Family Foundation
1020 - 510 Seymour St.
Vancouver, BC V6B 3J5

Attention: Roger Hardy

Roger Hardy
1020 - 510 Seymour St.
Vancouver, BC V6B 3J5

Bene Certo Holdings Ltd.
1020 - 510 Seymour St.
Vancouver, BC V6B 3J5

Attention: Roger Hardy

LD Group Holdings Ltd.
301-1650 Elgin Mills Road East
Richmond Hill, ON L4S 0B2

Attention: Arshil Abdulla

Joe Thompson
1020 - 510 Seymour St.
Vancouver, BC V6B 3J5

Ladies and Gentlemen:

The undersigned, Canaccord Genuity Corp. ("**Canaccord**"), as sole bookrunner, together with Beacon Securities Limited, as co-lead underwriters (the "**Co-Lead Underwriters**"), and Stifel Nicolaus Canada Inc., Haywood Securities Inc., Roth Canada Inc., and Ventum Financial Corp. (together with the Co-Lead Underwriters, the "**Underwriters**", and each individually, an "**Underwriter**") understand that certain shareholders of Kits Eyecare Ltd. (the "**Company**"), being 0999849 B.C. Ltd. (the "**0999849 Selling Shareholder**"), Hardy Family Foundation (the "**Hardy Foundation Selling Shareholder**"), Roger Hardy (the "**Hardy Selling Shareholder**"), Bene Certo Holdings Ltd. (the "**Bene Selling Shareholder**"), LD Group Holdings Ltd. (the "**LD Selling Shareholder**") and Joe Thompson (the "**Thompson Selling Shareholder**", and together with the 0999849 Selling Shareholder, the Hardy Foundation Selling Shareholder, the Hardy Selling Shareholder, the Bene Selling Shareholder and the LD Selling Shareholder, the "**Selling Shareholders**") propose to sell directly to the Underwriters an aggregate of 1,125,000 common shares of the Company (the "**Purchased Shares**") pursuant to the terms of this underwriting agreement (the "**Agreement**").

The Securities (as defined below) will be offered and sold to the Underwriters in the Qualifying Jurisdictions (as defined below) pursuant to the Final Prospectus and in the United States (as defined below) without being registered under the 1933 Act (as defined below) in reliance on exemptions from the registration requirements of the 1933 Act provided by Rule 144A (as defined below). The Underwriters will distribute the Securities (i) in Canada pursuant to the Final Prospectus and in accordance with applicable Canadian Securities Laws; and (ii) in the "United States" to "U.S. Persons" (as such terms are defined in Regulation S) on a private placement basis pursuant to available exemptions from the registration requirements of the 1933 Act and all applicable U.S. state securities laws, and (iii) in other offshore jurisdictions pursuant to available exemptions from the prospectus, registration or other similar requirements in such offshore jurisdictions, such that no prospectus, registration statement or similar document required to be filed in any such offshore jurisdiction and no appointment of any local agent is required in any such offshore jurisdiction, in each case in accordance with applicable laws.

Based on the foregoing, and subject to the terms and conditions contained in this Agreement, the Underwriters severally and not jointly (nor jointly and severally), on the basis of the percentages set forth in Section 24.1 of this Agreement, agree to purchase from the Selling Shareholders, and the Selling Shareholders, by their acceptance hereof, agree to sell to the Underwriters in the proportions and on the basis set forth in Schedule C, all but not less than all of the Purchased Shares on the Closing Date (as defined below) at a price of $10.15 per Purchased Share, for an aggregate purchase price for the Purchased Shares of $11,418,750 (the "**Purchase Price**").

In addition, the Company and the Selling Shareholders hereby grant to the Underwriters (the "**Over-Allotment Option**") an option to purchase, in the proportions and on the basis set out in Schedule C, severally and not jointly (nor jointly and severally), up to an additional 168,750 common shares of the Company, (the "**Additional Shares**" and, together with the Purchased Shares, the "**Securities**") on the basis set forth in Schedule C and at the same price of $10.15 per Additional Share. The Over-Allotment Option is exercisable in whole or in part once up to and including the date that is 30 days following the Closing Date. If the Co-Lead Underwriters, on behalf of the Underwriters, elect to exercise the Over-Allotment Option, the Co-Lead Underwriters shall notify the Company and the Selling Shareholders in writing not later than 48 hours prior to the Option Closing Time (as defined below) if such Over-Allotment Option is exercised after the initial Closing Date, which notice shall specify the aggregate number of Additional Shares to be purchased by the Underwriters and the date on which such Additional Shares are to be purchased (the "**Over-Allotment Option Notice**"). The date of any such purchase may be the same as the Closing Date, but not earlier than the Closing Date nor later than 30 days following the Closing Date. If any Additional Shares are purchased, each Underwriter agrees, severally and not jointly (nor jointly and severally), to purchase that number of Additional Shares (subject to such adjustments to eliminate fractional shares as the Co-Lead Underwriters, on behalf of the Underwriters, may determine) equal to the total number of Additional Shares to be purchased multiplied by the percentage set out in Section 24.1 opposite the name of such Underwriter.

The Purchased Shares will be offered to the public at the Purchase Price; provided however, that after the Underwriters have made a reasonable effort to sell all of the Purchased Shares at the Purchase Price, the Underwriters may decrease the sale price per Purchased Share to the public, and such price may be further changed from time to time to an amount not greater than the Purchase Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Purchased Shares is less than the aggregate price paid by the Underwriters to the Selling Shareholders. For greater certainty, in no event shall the price per Purchased Share payable by the Underwriters to the Selling Shareholders under this Agreement be less than $10.15.

The Parties acknowledge that, concurrently with the Offering, a certain shareholder of the Company intends to sell, and the Underwriters intend to purchase, an aggregate of 325,000 Common Shares at a price of $10.15 per Common Share by way of a block trade (the "**Concurrent Block Trade**"). Closing of the Offering will not be conditional upon the closing of the Concurrent Block Trade.

DEFINITIONS

In this Agreement:

"**0999849 Selling Shareholder**" has the meaning given to it above;

"**144A Private Placement Memorandum**" means, if any, the U.S. private placement memorandum, in a form satisfactory to the Underwriters, the Selling Shareholders and the Company, each acting reasonably, the preliminary version of which will be attached to a copy of the Preliminary Prospectus and the final version of which will be attached to a copy of the Final Prospectus, to be delivered to Qualified Institutional Buyers;

"**1933 Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

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

"**1940 Act**" means the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder;

"**Additional Shares**" has the meaning given to it above;

"**affiliate**" and "**subsidiary**" have the respective meanings given to them in National Instrument 45-106 — *Prospectus Exemptions*;

"**Agreement**" has the meaning given to it above;

"**Anti-Money Laundering Laws**" has the meaning given to it in Section 8.34;

"**Applicable Indemnifier(s)**" has the meaning given to it in Section 20.1(iv);

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**BDC Loan**" means the loan agreement between the Company and BDC Capital Inc. dated March 26, 2019, as amended, which provides for a loan to the Company in the amount of $23.4 million;

"**Bene Selling Shareholder**" has the meaning given to it above;

"**Business Day**" means any day, other than a Saturday or Sunday, on which commercial banks in Toronto, Ontario and Vancouver, British Columbia are open for commercial banking business during normal banking hours;

"**Canaccord**" has the meaning given to it above;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Jurisdictions, as applicable, and the respective rules, regulations, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the Canadian Securities Regulators;

"**Canadian Securities Regulators**" means the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions and "**Canadian Securities Regulator**" means any one of them;

"**Change of Control**" shall mean the transfer (whether by tender offer, amalgamation, arrangement, consolidation or other similar transaction), after the closing of the Offering, to a person or group of affiliated persons, of the Company's voting securities if, after such transfer, such person or group of affiliated persons would hold shares having more than 50% of the voting power of all outstanding voting shares of the Company (or the surviving entity);

"**Claims**" has the meaning given to it in Section 20.1;

"**Closing**" means the completion of the sale by the Selling Shareholders, and the purchase by the Underwriters, of the Purchased Shares pursuant to this Agreement;

"**Closing Date**" means September 26, 2024 or such other date as the Company, the Selling Shareholders and the Underwriters may agree upon in writing, but in any event, no later than 42 days after the date of the Final Receipt;

"**Closing Time**" means 5:00 a.m. (Vancouver time) on the Closing Date;

"**Co-Lead Underwriters**" has the meaning given to it above;

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

"**Company**" has the meaning given to it above;

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

"**Concurrent Block Trade**" has the meaning given to it above.

"**Continuing Underwriters**" has the meaning given to it in Section 24.1;

"**Defaulted Securities**" has the meaning given to it in Section 24.1;

"**Disclosure Documents**" means, collectively, all of the documentation which has been filed by or on behalf of the Corporation with the relevant Canadian Securities Regulators since December 31, 2023 pursuant to the requirements of Canadian Securities Laws, including all press releases filed on SEDAR+;

"**distribution**" has the meaning given to it in the *Securities Act* (British Columbia);

"**Employee Plan**" means any (i) pension, retirement, deferred compensation, savings, profit-sharing, stock option, stock purchase, bonus, incentive, vacation pay, severance pay, supplemental unemployment benefit, employee assistance, death benefit or other employee or post-retirement benefit plan, trust, arrangement, contract, agreement, policy or commitment (including any arrangement to provide pension benefits in excess of the maximum amounts which are allowed under the *Income Tax Act* (Canada) to be provided through a registered pension plan) from which present or former employees, officers and directors, individuals working on contract with the Company or its Subsidiary or individuals providing services to the Company or its Subsidiary of a kind normally performed by employees benefit or have the potential to benefit, or (ii) group or individual insurance policy or coverage (including self-insured coverage) for accident and sickness or life insurance (including any individual insurance policy under which any present or former employee, officer or director of the Company or its Subsidiary, as applicable, is the named insured and as to which the Company makes premium payments, whether or not the Company or its Subsidiary is the owner, beneficiary or both of that policy), or other insured or covered expense reimbursement coverage, from which present or former employees, officers or directors of the Company or its Subsidiary benefit or have the potential to benefit;

"**Environmental Laws**" means any federal, state, provincial, territorial or local law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement, or common law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials or Conditions, and "**Hazardous Materials or Conditions**" means any material, substance (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) or condition that is regulated by or may give rise to liability under any Environmental Laws;

"**Equity Incentive Plans**" means, together, the Stock Option Plan and the Restricted Share Plan;

"**Final 144A Offering Memorandum**" means a final offering memorandum and comprised of the Final Prospectus and the 144A Private Placement Memorandum;

"**Final Offering Documents**" means the Final Prospectus and the Final 144A Offering Memorandum;

“**Final Prospectus**” means the final short form prospectus of the Company to be filed in accordance with Section 1 relating to the distribution of the Securities, including the template version of any marketing materials or other information or document included or incorporated by reference therein;

“**Final Receipt**” means a receipt issued by the British Columbia Securities Commission (in its capacity as principal regulator under the Passport System) evidencing that final receipts of the Canadian Securities Regulators in each of the Qualifying Jurisdictions have been issued in respect of the Final Prospectus;

“**Financial Information**” means the Financial Statements and management’s discussion and analysis related to such financial statements incorporated by reference in the Preliminary Prospectus, the Final Prospectus or any Prospectus Amendment and the additional financial information derived therefrom and included therein or incorporated by reference therein;

“**Financial Statements**” means the audited consolidated financial statements of the Company for the years ended December 31, 2023 and 2022 and the unaudited consolidated interim financial statements of the Company for the three and six months ended June 30, 2024 and 2023, together with the notes to such statements and the independent auditor’s report on the annual consolidated financial statements, each of which is incorporated by reference in the Offering Documents;

“**Governmental Authority**” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“**Governmental Licenses**” has the meaning given to it in Section 8.38;

“**Hardy Foundation Selling Shareholder**” has the meaning given to it above.

“**Hardy Selling Shareholder**” has the meaning given to it above.

“**IFRS**” means International Financial Reporting Standards;

“**Indemnified Party**” has the meaning given to it in Section 20.1;

“**Intellectual Property**” has the meaning given to it in Section 8.37;

“**Knowledge**” and similar expressions means the actual knowledge of each of the Company’s CEO, CFO and COO, after reasonable enquiry;

“**LD Selling Shareholder**” has the meaning given to it above.

“**Lien**” means any mortgage, charge, pledge, hypothec, claim, security interest, assignment, lien (statutory or otherwise), defect, restriction on transfer, or other encumbrance of any nature, including any arrangement or condition which, in substance, secures payment or performance of an obligation;

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

“**Marketing Materials Amendment**” means any revised template version of any marketing materials provided to potential investors in connection with the distribution of Securities;

“**Material Adverse Effect**” or “**Material Adverse Change**” means any fact, effect, change, event, occurrence or development that, alone or in conjunction with any other fact, effect, change, event, occurrence or development (i) is or is reasonably likely to be materially adverse to the results of operations, condition (financial or otherwise), assets, properties, capital, liabilities (contingent or otherwise), cash flows, income, prospects or business operations of the Company or its Subsidiary, taken as a whole; or (ii) would result in any Offering Document containing a misrepresentation;

“**material change**” has the meaning given to it in the *Securities Act* (British Columbia);

“**Material Contracts**” means (a) any contract, commitment, agreement (written or oral), instrument, lease or other document, to which the Company or its Subsidiary is a party or otherwise bound and which is material to the Company and its Subsidiary, taken as a whole and (b) any debt instrument, any agreement, contract or commitment to create, assume or issue any debt instrument, and any other outstanding loans to the Company or its Subsidiary from, or any loans by the Company or its Subsidiary to or a guarantee by the Company or its Subsidiary of the obligations of, any other person in each case to which the Company or its Subsidiary is a party or otherwise bound and which is material to the Company and its Subsidiary, taken as a whole;

“**material fact**” has the meaning given to it in the *Securities Act* (British Columbia);

“**misrepresentation**” has the meaning given to it in the *Securities Act* (British Columbia);

“**NCI System**” has the meaning given to it in Section 15.2;

“**notice**” has the meaning given to it in Section 32;

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

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

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

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*;

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

"**OFAC**" has the meaning given to it in Section 8.62;

"**OFAC Person**" has the meaning given to it in Section 8.62;

"**Offering**" means the offering of the Securities pursuant to this Agreement and the Final Prospectus;

"**Offering Document**" means any of the Preliminary Offering Documents, the Final Offering Documents or Offering Document Amendment;

"**Offering Document Amendment**" means any Prospectus Amendment and Offering Memorandum Amendment;

"**Offering Memorandum Amendment**" means any amendment to the Preliminary 144A Offering Memorandum or the Final 144A Offering Memorandum;

"**Option Closing**" means the completion of the sale by the Selling Shareholders, and the purchase by the Underwriters, of Additional Shares pursuant to this Agreement;

"**Option Closing Date**" means the date, not earlier than the Closing Date or later than 30 days following the Closing Date, for an Option Closing as set out in the Over-Allotment Option Notice;

"**Option Closing Time**" means 5:00 a.m. (Vancouver time) on the Option Closing Date;

"**Over-Allotment Option**" has the meaning given to it above;

"**Over-Allotment Option Notice**" has the meaning given to it above;

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

"**person**" means an individual, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association or joint venture;

"**Preliminary 144A Offering Memorandum**" means the preliminary offering memorandum dated the date hereof comprised of the Preliminary Prospectus and the 144A Private Placement Memorandum;

"**Preliminary Offering Documents**" means the Preliminary Prospectus and the Preliminary 144A Offering Memorandum;

"**Preliminary Prospectus**" means the preliminary short form prospectus to be filed in accordance with Section 1 relating to the distribution of the Securities, including any information or documents included or incorporated by reference therein;

"**Preliminary Receipt**" means a receipt issued by the British Columbia Securities Commission (in its capacity as principal regulator under the Passport System) evidencing that receipts of the Canadian Securities Regulators in each of the Qualifying Jurisdictions have been issued in respect of the Preliminary Prospectus;

"**Prospectus Amendment**" means any amendment to the Preliminary Prospectus or the Final Prospectus;

"**provide**" or "**provided**", in the context of sending or making available marketing materials to a potential purchaser of Securities, has the meaning given to it in NI 41-101;

"**Purchase Price**" has the meaning given to it above;

"**Purchased Shares**" has the meaning given to it above;

"**Qualified Institutional Buyer**" has the meaning given to it under Rule 144A;

"**Qualifying Jurisdictions**" means each of the provinces of Canada, except for Québec;

"**Refusing Underwriter**" has the meaning given to in Section 24.1;

"**Regulation S**" means Regulation S under the 1933 Act;

"**Restricted Share Plan**" means the restricted share plan of the Company dated November 5, 2020;

"**Returns**" has the meaning given to it in Section 8.49(i);

"**Rule 144A**" means Rule 144A under the 1933 Act;

"**Sanctioned Country**" has the meaning given to it in Section 8.62;

"**Sanctions**" has the meaning given to it in Section 8.62;

"**SEDAR+**" means the computer system for the transmission, receipt, acceptance, review and dissemination of documents filed in electronic format known as the System for Electronic Document Analysis and Retrieval Plus;

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

"**Securities**" has the meaning given to it above and "**Security**" means any one of them;

"**Selling Firm**" has the meaning given to it in Section 3.1;

"**Selling Shareholders**" has the meaning given to it above;

"**Selling Shareholders' Information**" means, as to each Selling Shareholder, the sections in the Preliminary Offering Documents, the Final Offering Documents or any Offering Document Amendment entitled "Selling Shareholders" insofar as any part of such sections relate solely to such Selling Shareholder, and any information relating solely to such Selling Shareholder and furnished by it (in its capacity as a Selling Shareholder) for use in any Offering Document;

"**Stock Option Plan**" means the stock option plan of the Company dated November 5, 2020;

"**Subsidiary**" means Kits.com Technologies Inc., which is a wholly-owned subsidiary and incorporated under the laws of Canada;

"**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);

"**template version**" has the meaning given to it in NI 41-101 and includes any revised template version of marketing materials as contemplated in NI 41-101;

"**Thompson Selling Shareholder**" has the meaning given to it above;

"**TMX Group**" has the meaning given to it in Section 27;

"**Transfer Agent**" means the registrar and transfer agent of the Company, namely Computershare Investor Services Inc.;

"**TSX**" means the Toronto Stock Exchange;

"U.S. Affiliate" means the U.S. registered broker-dealer affiliate of an Underwriter;

"**U.S. Offering Documents**" means the Preliminary 144A Offering Memorandum and Final 144A Offering Memorandum;

"**U.S. QIB Purchaser's Letter**" means the letter delivered to the Company, the Selling Shareholders, the Underwriters and the U.S. Affiliates by each Qualified Institutional Buyer, attached as Exhibit A to the Final 144A Offering Memorandum;

"**Underwriter**" and "**Underwriters**" have the respective meanings given to them above;

"**Underwriters' Information**" means information and statements relating solely to the Underwriters which have been provided by the Underwriters to the Company in writing specifically for use in any Offering Document;

"**Underwriting Fee**" has the meaning given to it in Section 14;

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

“**United States Securities Laws**” means United States federal and state securities laws;

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. Reference to “Sections” or “Clauses” are to the appropriate section or clause of this Agreement.

All references to “dollars” or “$” are to Canadian dollars, unless otherwise expressly stipulated.

The Schedules to this Agreement are incorporated by reference in, and form an integral part of, this Agreement for all purposes of it.

TERMS AND CONDITIONS

1. Filing of Preliminary Prospectus and Final Prospectus

The Company covenants with the Underwriters that (i) the Company shall as soon as possible following the execution of this Agreement, and, in any event, no later than 12:00 p.m. (Vancouver time) on September 11, 2024 prepare and file the Preliminary Prospectus and use its commercially reasonable efforts to obtain, pursuant to the Passport System, the Preliminary Receipt, (ii) use its commercially reasonable efforts to resolve as soon as possible any comments from the Canadian Securities Regulators relating to the Preliminary Prospectus and the Documents Incorporated by Reference and (iii) as soon as possible thereafter, and in any event within seven Business Days after obtaining the Preliminary Receipt file the Final Prospectus, in form and substance satisfactory to the Underwriters and the Selling Shareholders (acting reasonably), in each of the Qualifying Jurisdictions with the Canadian Securities Regulators and obtain, pursuant to the Passport System, the Final Receipt as soon as possible after the filing of the Final Prospectus. The Company and each of the Selling Shareholders, respectively, will promptly fulfill and comply with, to the satisfaction of the Underwriters, acting reasonably, Canadian Securities Laws and, to the extent applicable, United States Securities Laws, required to be fulfilled or complied with by the Company or the Selling Shareholders to enable the Securities to be lawfully distributed in the Qualifying Jurisdictions and the United States through the Underwriters or their respective affiliates or any other investment dealers or brokers registered in such jurisdictions.

2. Due Diligence

Prior to the filing of the Preliminary Prospectus or the Final Prospectus (or any Prospectus Amendment), the Company and the Selling Shareholders shall permit the Underwriters to review and participate in the preparation of any Offering Document and shall allow each of the Underwriters to conduct any due diligence investigations which any of them reasonably requires in order to fulfill its obligations as an underwriter under the Canadian Securities Laws in order to enable it to responsibly execute the certificate in the Preliminary Prospectus or the Final Prospectus (or any Prospectus Amendment) required to be executed by it. Up to the later of the Closing Date and the date of completion of the distribution of the Securities, the Company and the Selling Shareholders shall allow each of the Underwriters to conduct any due diligence investigations that any of them reasonably requires in order to fulfill its obligations as an underwriter under Canadian Securities Laws.

3. <u>Distribution and Certain Obligations of the Underwriters</u>

3.1 The Company and the Selling Shareholders agree that the Underwriters will be permitted to appoint, at their sole expense, other registered dealers or brokers as their agents to assist in the distribution of the Securities. The Underwriters shall, and shall require any such dealer or broker, other than the Underwriters, with which the Underwriters have a contractual relationship in respect of the distribution of the Securities (a "**Selling Firm**") to, comply with the Canadian Securities Laws and United States Securities Laws in connection with the distribution of the Securities and shall offer the Securities for sale to the public directly and through the Selling Firms upon the terms and conditions (including the offer price) set out in the Offering Documents and this Agreement. The Underwriters shall, and shall require any Selling Firm to, offer for sale to the public and sell the Securities only in those jurisdictions where the Securities may be lawfully offered for sale or sold.

3.2 The Underwriters shall, and shall require any Selling Firm to agree to, observe and distribute the Securities in a manner that complies with all applicable laws and regulations (including in connection with offers and sales in the United States) in each jurisdiction into and from which they may offer to sell the Securities or distribute the Offering Documents in connection with the distribution of the Securities and will not, and will require any Selling Firm not to, directly or indirectly, offer, sell or deliver any Securities or Offering Documents or any other document to any person in any jurisdiction, except in a manner which will not require the Company or any Selling Shareholder to comply with the registration, prospectus, continuous disclosure, filing or other similar requirements under the applicable securities laws of any jurisdictions (other than the Qualifying Jurisdictions).

3.3 The Company and the Selling Shareholders acknowledge and agree that the Underwriters are acting severally and not jointly (nor jointly and severally) in performing their respective obligations under this Agreement (including obligations under any Schedules to this Agreement) and no Underwriter shall be liable for any act, omission or conduct by any other Underwriter or Selling Firm appointed by any other Underwriter.

3.4 For the purposes of this Section 3, the Underwriters shall be entitled to assume that the Securities are qualified for distribution in each of the Qualifying Jurisdictions.

4. <u>United States Offers and Sales</u>

The Company, the Selling Shareholders and the Underwriters agree that Schedule A to this Agreement, entitled "**United States Offers and Sales**", is incorporated by reference in, and shall form part of, this Agreement. Any offer or sale of the Securities in the United States will be made in accordance with Schedule A and each Underwriter will require this undertaking to be contained in any agreements among the Selling Firms.

5. Marketing Materials

5.1 In connection with the distribution of the Securities:

(i) the Company shall prepare, in consultation with the Selling Shareholders and Canaccord, and approve in writing, prior to the time the marketing materials are first provided to potential investors, a template version of the marketing materials reasonably requested to be provided by the Underwriters to any potential investor; such marketing materials shall comply with Canadian Securities Laws and be acceptable in form and substance to the Selling Shareholders and the Underwriters, acting reasonably, and such template version shall be approved in writing by the Selling Shareholders and Canaccord, on behalf of all of the Underwriters, prior to the time the marketing materials are first provided to potential investors;

(ii) the Company shall file the template version of the marketing materials referred to in paragraph 5.1(i) above with the Canadian Securities Regulators as soon as reasonably practicable after the template version of the marketing materials is so approved in writing by the Company, the Selling Shareholders and by Canaccord, on behalf of all of the Underwriters, and in any event on or before the day the marketing materials are first provided to any potential investor; and

(iii) any comparables shall be redacted from the template version of the marketing materials and such redactions shall be made in compliance with the related requirements of NI 44-101 prior to filing such template version with the Canadian Securities Regulators and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Canadian Securities Regulators by the Company as required by Canadian Securities Laws.

5.2 Following the approvals and filings set forth in the foregoing paragraphs, the Underwriters may provide the marketing materials to potential investors to the extent permitted by Canadian Securities Laws and applicable United States Securities Laws.

5.3 The Company shall prepare and file any Marketing Materials Amendments provided to potential investors in connection with the offering of the Securities where required under Canadian Securities Laws, and the foregoing paragraphs above shall also apply to such revised template version.

5.4 No Underwriter will be liable under this Section 5 with respect to a default by any of the other Underwriters or a Selling Firm appointed by any of the other Underwriters.

6. Delivery of Documents

The Company shall deliver or cause to be delivered to each of the Underwriters, the Underwriters' legal counsel and to each of the Selling Shareholders at the respective times indicated, the following documents:

6.1 At or prior to the filing of the Final Prospectus, a "long-form" comfort letter of MNP LLP dated the date of the Final Prospectus addressed to the Underwriters, the Selling Shareholders and the directors of the Company, in form and substance satisfactory to the Underwriters, acting reasonably, containing statements and information of the type ordinarily included in "comfort letters" to underwriters in connection with the Offering.

6.2 At or prior to the filing of the Preliminary Prospectus and the Final Prospectus, as applicable:

(i) a copy of the Preliminary Prospectus and the Final Prospectus in each case signed and certified (other than by the Selling Shareholders and the Underwriters) as required by the Canadian Securities Laws applicable in the Qualifying Jurisdictions;

(ii) a copy of any other document required to be filed along with the Preliminary Prospectus or the Final Prospectus by the Company under Canadian Securities Laws;

(iii) a copy of the Preliminary 144A Offering Memorandum and the Final 144A Offering Memorandum (if any);

(iv) a copy of any other document required to be filed by the Company under Canadian Securities Laws, including without limitation any marketing materials and template versions thereof;

6.3 Offering Document Amendments and Marketing Materials Amendments

(i) During the period from the date of this Agreement until the later of the Closing Date and the date of completion of distribution of the Securities under the Offering Documents:

(A) In the event that the Company is required by Canadian Securities Laws (as a result of a change in Canadian Securities Laws or otherwise) to prepare and file a Prospectus Amendment or a Marketing Materials Amendment, the Company shall prepare and deliver promptly to the Underwriters and the Selling Shareholders, signed and certified (other than by the Selling Shareholders and the Underwriters) copies of such Prospectus Amendment or Marketing Materials Amendment. Concurrently with the delivery of any Prospectus Amendment, the Company shall deliver to the Selling Shareholders and the Underwriters, with respect to such Prospectus Amendment, documents similar to those referred to in Section 6.1, and in connection with any such Prospectus Amendment, shall prepare and deliver to the Underwriters and the Selling Shareholders a corresponding Offering Memorandum Amendment.

(B) In the event that the Company is required by United States Securities Laws (as a result of a change in United States Securities Laws or otherwise) to prepare and file an Offering Memorandum Amendment, the

Company shall prepare and deliver promptly to the Underwriters and the Selling Shareholders such Offering Memorandum Amendment.

(ii) The Underwriters shall deliver a copy of any applicable Offering Document Amendment to each purchaser of Securities.

(iii) The Company shall permit the Selling Shareholders and the Underwriters to review and participate in the preparation of any Offering Document Amendment or Marketing Materials Amendment, it being understood and agreed that no Prospectus Amendment or Marketing Materials Amendment will be filed with any Canadian Securities Regulator, and no Offering Memorandum Amendment distributed, without first obtaining the approval of the Selling Shareholders and the Underwriters and their counsel, after consultation with the Underwriters with respect to the form and content thereof.

7. Representations and Warranties of the Company and the Selling Shareholders as to the Offering Documents

7.1 Filing of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment shall constitute a representation and warranty by the Company to the Underwriters that, as at their respective dates:

(i) the information and statements (except for the Underwriters' Information) contained in the Preliminary Prospectus, the Final Prospectus, the U.S. Offering Documents, and any Offering Document Amendment contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company and the Securities as required by Canadian Securities Laws;

(ii) such documents comply in all material respects with the requirements of Canadian Securities Laws or United States Securities Laws, as applicable; and

(iii) the statistical and market-related data included in the Preliminary Prospectus, the Final Prospectus, the U.S. Offering Documents and any Offering Document Amendment are based on or derived from sources that are believed by the Company to be reliable and accurate in all material respects.

Such filings shall also constitute the Company's consent to the Underwriters' use of the Preliminary Prospectus, the marketing materials and Marketing Materials Amendment, the Final Prospectus and any Prospectus Amendment in connection with the distribution of the Securities in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws.

7.2 Filing of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment shall constitute a representation and warranty by each of the Selling Shareholders severally (and not jointly and not jointly and severally), to the Underwriters, that as at their respective dates, the Selling Shareholders' Information as applicable to such Selling Shareholder:

contained in the Preliminary Prospectus, the Final Prospectus, the U.S. Offering Documents and any Offering Document Amendment contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to the Selling Shareholders' Information as applicable to such Selling Shareholder. Such filings shall also constitute each of the Selling Shareholders' consent to the Underwriters' use of such Selling Shareholders' Information contained in the Preliminary Prospectus, the marketing materials and Marketing Materials Amendment, the Final Prospectus and any Prospectus Amendment in connection with the distribution of the Securities in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws.

8. Additional Representations and Warranties of the Company

The Company represents and warrants to the Underwriters, and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Securities, that:

8.1 since the respective dates as of which information is given in the Offering Documents or any Offering Document Amendment, except as otherwise stated therein, (i) there has been no Material Adverse Change; (ii) there have been no transactions entered into by the Company or the Subsidiary, other than those in the ordinary course of business, which are material with respect to the Company and the Subsidiary taken as a whole; and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company or the Subsidiary on any class of its shares;

8.2 the Company and the Subsidiary have been duly incorporated and organized and are validly existing and in good standing under the laws of their respective jurisdictions of incorporation and have all requisite corporate power, authority and capacity to carry on business as now conducted and as presently proposed to be conducted, and to own, lease and operate their respective properties and assets (including licences and other similar rights), except where the failure to be registered to transact business or in good standing would not have a Material Adverse Effect, and to carry out the transactions contemplated by this Agreement and as disclosed in the Offering Documents;

8.3 the Company has all requisite corporate power, authority and capacity to enter into and deliver this Agreement and to perform its obligations hereunder;

8.4 this Agreement and the performance of the Company's obligations hereunder, the execution and filing with the Canadian Securities Regulators of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment have been, or will at the Closing Time be, duly authorized by all necessary corporate action, and this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law;

8.5 the Company has no direct or indirect subsidiaries or any investment or proposed investment in any person other than the Subsidiary. The Company beneficially owns, directly or indirectly, all the securities of the Subsidiary (being 100% of the shares of the Subsidiary) and all such shares or equity interests have been duly and validly authorized and issued, are fully paid and non-assessable, and are owned directly or indirectly by the Company free and clear of any Lien (other than Liens resulting in certain restrictions relating to such shares pursuant to the BDC Loan);

8.6 no proceedings have been taken, instituted, are pending for the dissolution or liquidation of the Company or the Subsidiary;

8.7 the Company and the Subsidiary:

(i) are in material compliance with all applicable laws, rules and regulations (including all applicable federal, provincial, municipal, and local environmental anti-pollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including relevant leases and licences) of each jurisdiction in which business is carried on by the Company and the Subsidiary;

(ii) are licensed, registered or qualified in all jurisdictions in which they own, lease, operate property or carry on business to enable their business to be carried on as now conducted and their property and assets to be owned, leased and operated, and all such licences, registrations and qualifications are valid, subsisting and in good standing, except where the failure to be licensed or registered would not have a Material Adverse Effect; and

(iii) have not received a notice of non-compliance nor know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which could reasonably be expected to have a Material Adverse Effect; and

the Company has not received any notice of proceedings relating to the revocation or modification of any licence, permit, approval, registration, authorization, consent or qualification which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, and the Company is not aware of any legislation, regulation or rule presently in force or proposed to be brought into force with which the Company anticipates it will be unable to comply without having a Material Adverse Effect.

8.8 the Company has an authorized share capital consisting of an unlimited number of Common Shares and an unlimited number of preferred shares, of which 31,563,566 Common Shares and no preferred shares are issued and outstanding as of the date hereof. No person, firm or company has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company or the Subsidiary of any unissued shares of the Company or the Subsidiary or any right to convert any obligation into or exchange any shares of the

Company or the Subsidiary, or for the purchase or acquisition of the assets or property of any kind of the Company or the Subsidiary, except as otherwise referred to or incorporated by reference in the Offering Documents. All of the issued and outstanding Common Shares (including the Purchased Shares and any Additional Shares) to be issued and outstanding immediately following the Closing will by such time have been duly and validly authorized and issued as fully paid and non-assessable, and none of the outstanding Common Shares will be issued in violation of the pre-emptive or similar rights of any securityholder of the Company;

8.9 the rights, privileges, restrictions, conditions and other terms attaching to the Securities will at Closing and the Option Closing conform in all material respects to the respective descriptions thereof contained in the Offering Documents;

8.10 except as disclosed in the Offering Documents, since December 31, 2023: (i) there has been no material change with respect to the Company and its Subsidiary taken as a whole, (ii) there have been no transactions entered into by the Company or its Subsidiary which are material with respect to the Company and its Subsidiary taken as a whole, other than those in the ordinary course of business, and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its shares;

8.11 the Financial Statements contained in the Offering Documents have been prepared in conformity with IFRS, consistently applied throughout the periods involved, and comply as to form in all material respects with the applicable accounting requirements of Canadian Securities Laws and the BCBCA. Such Financial Statements present fairly in all material respects the financial position, financial performance and cash flows of the Company as at the dates and for the periods of such Financial Statements. The other Financial Information included or incorporated by reference in the Offering Documents presents fairly in all material respects the information shown therein and, other than those aspects of the non-IFRS measures including retail industry metrics that are not derived from the Financial Statements, has been compiled on a basis consistent with that of the Financial Statements;

8.12 neither the Company nor its Subsidiary, taken as a whole, has any material indebtedness, liabilities, obligations or commitments, whether accrued, absolute, contingent or otherwise, other than as disclosed in the Offering Documents, including the Financial Statements contained therein, or as incurred in the ordinary course of business by the Company or its Subsidiary and which do not have a Material Adverse Effect;

8.13 other than as disclosed in the Offering Documents, including the Financial Statements contained therein, since December 31, 2023:

(i) there has not been any material change in the share capital, long-term debt, short-term debt, net current assets, net assets, financial condition or operations of the Company or the Subsidiary other than changes in the ordinary course of business; and

(ii) neither the Company nor the Subsidiary have cancelled any material debts or entitlements, other than in the ordinary course of business;

8.14 other than this Agreement, the BDC Loan or agreements entered into in the ordinary course of business, the Company is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with its bylaws and indemnity agreements entered into among the Company and its directors and officers) or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;

8.15 MNP LLP, Chartered Professional Accountants, is independent of the Company and the Subsidiary in accordance with the rules of professional conduct applicable to auditors in the Province of British Columbia, and there has not been any reportable event (within the meaning of NI 51-102) with such auditors with respect to auditors of the Company or the Subsidiary;

8.16 the Company has devised and maintained "disclosure controls and procedures" and "internal control over financial reporting" (each as defined by NI 52-109) as required by NI 52-109 and Canadian Securities Laws, and the Company is not aware, and has not been advised by its auditors, of any "material weakness" (as defined by NI 52-109) with respect to the internal control over financial reporting of the Company or any predecessor entity to the Company, except as disclosed in the Offering Documents;

8.17 the Company is in compliance in all material respects with all its disclosure obligations under Canadian Securities Laws (including, without limitation, all of its disclosure obligations pursuant to NI 51-102 and pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*). Each of the Disclosure Documents is, as of the date thereof, in compliance in all material respects with Canadian Securities Laws and did not contain any untrue statement of a material fact 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 such documents collectively constitute full, true and plain disclosure of all material facts relating to the Company and do not contain any untrue statement of a material fact 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, as of the date thereof. The Company has not filed any confidential material change reports which remain confidential as at the date hereof. There is no fact known to the Company which the Company has not publicly disclosed which results, or may reasonably be expected to result, in a Material Adverse Effect or materially adversely affect the ability of the Company to perform its obligations under this Agreement.

8.18 no order preventing, ceasing or suspending trading in any securities of the Company or prohibiting the issue and sale of securities by the Company is issued and outstanding and no proceedings for either of such purposes have been instituted or, to the best of the knowledge of the Company, are pending, contemplated or threatened.

8.19 neither the Company nor its Subsidiary is, as at the date hereof, in violation or default of, nor will the execution of this Agreement, the performance by the Company or the Subsidiary of their obligations hereunder, result in any breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under, or give rise to any right to accelerate the maturity of any indebtedness under, or result in the imposition of any Lien upon any property or assets of the Company or its Subsidiary pursuant to:

(a) any term or provision of the constating documents or bylaws of the Company or its Subsidiary or any resolution of the directors or shareholders of the Company or its Subsidiary;

(b) any contract (including the Material Contracts), mortgage, note, indenture, joint venture or partnership arrangement, agreement (written or oral), instrument, lease (including for real property) or licence to which the Company or its Subsidiary is a party or bound or to which any of the business, operations, property or assets of the Company or its Subsidiary is subject; or

(c) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or its Subsidiary or their business, operations or assets, of any court, Governmental Authority, arbitrator or other authority having jurisdiction over the Company or its Subsidiary;

except, in the case of clauses (b) and (c) above, for any such default or violation that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

8.20 other than as disclosed in the Offering Documents, there are no business relationships, related-party transactions or off-balance sheet transactions involving the Company or its Subsidiary or any other person required to be described in the Offering Documents, and there are no material contracts or other documents that are required to be described in the Offering Documents under Canadian Securities Laws;

8.21 the forecasts, budgets or projections provided by or on behalf of the Company to the Underwriters were prepared in good faith, disclosed all relevant material assumptions and contain reasonable estimates of the prospects of the business of the Company;

8.22 all Material Contracts have been made available to the Underwriters in the Company's data room, and all Material Contracts are valid and binding obligations of the Company or its Subsidiary, as applicable, and are in good standing, and (i) no event of default or event which after the giving of notice or the lapse of time or both would constitute an event of default, has occurred and is outstanding under any Material Contract; (ii) the Company has no knowledge of any default by the other parties to each Material Contract; and (iii) neither the Company or its Subsidiary have waived any rights under any Material Contract;

8.23 there is no requirement to obtain a consent, approval or waiver of a party under any contract with the Company to any of the transactions contemplated by this Agreement, except for the consents, approvals and waivers that will be obtained prior to Closing or that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

8.24 no securities commission, stock exchange or comparable authority has issued any order preventing or suspending the use of any Offering Document, as applicable, nor instituted proceedings for that purpose and, to the knowledge of the Company, no such proceedings are pending or contemplated;

8.25 the Transfer Agent has been duly appointed as registrar and transfer agent for the Common Shares;

8.26 (i) each of the Company and its Subsidiary is in compliance in all material respects with the provisions of applicable federal, provincial, state, local and foreign laws and regulations respecting employment; (ii) no labour dispute with the employees of the Company or its Subsidiary exists or is pending or threatened or imminent, and the Company has no knowledge of any existing or imminent labour disturbance by the employees of the Company and its Subsidiary's principal suppliers and contractors, which in either case, could, individually or in the aggregate, a Material Adverse Effect; (iii) the labour relations of the Company and of its Subsidiary are satisfactory; and (iv) no collective agreement or collective bargaining agreement or modification thereof has expired and none is currently being negotiated by the Company or its Subsidiary;

8.27 no material supplier or distributor of the Company or its Subsidiary, has notified the Company or its Subsidiary in writing, and to the knowledge of the Company, there is no reason to believe, that any such material supplier or distributor, does not intend to continue dealing with the Company or its Subsidiary on substantially the same terms as presently conducted, subject to changes in pricing and volume in the ordinary course;

8.28 no material third-party partners of the Company or its Subsidiary (including but not limited to, material manufacturing partners) have notified the Company or its Subsidiary in writing that such partner does not intend to continue dealing with the Company or its Subsidiary on substantially the same terms as presently conducted, subject to changes in pricing and volume in the ordinary course of business;

8.29 other than as disclosed in the Offering Documents, the Company is not a party to any contracts of employment which may not be terminated on one month or less notice or which provide for payments occurring on the Change of Control of the Company;

8.30 other than as disclosed in the Offering Documents, there are no material bonuses, distributions, commissions, excess salary payments and other amounts owing to employees which will be payable outside the ordinary course of business by the Company to any employee of the Company or its Subsidiary after the Closing Date relating to their employment with the Company or the Subsidiary prior to the Closing Date;

8.31 there are no material workers' compensation claims pending against the Company or its Subsidiary and to the knowledge of the Company:

(i) none of the executive officers of the Company described in the Offering Documents or any executive employee of its Subsidiary has any plans to terminate their employment;

(ii) none of the officers, directors, employees of or consultants to the Company or its Subsidiary is subject to any confidentiality agreement, non-competition agreement, or any other agreement or limitation or restriction of any kind that would impede in any way their ability to carry out fully all activities in furtherance of the Company's or its Subsidiary's business and affairs; and

(iii) none of the executive officers of the Company described in the Offering Documents or any other employee or former employee of the Company or its Subsidiary has any claim with respect to any Intellectual Property rights of the Company or its Subsidiary;

8.32 neither the Company nor its Subsidiary is a party to any agreement restricting the Company or its Subsidiary's freedom to operate within a particular area;

8.33 other than usual and customary health and related benefit plans for employees, the Offering Documents disclose to the extent required by Canadian Securities Laws each Employee Plan, each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans;

8.34 there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of the Company after due inquiry, threatened against any of the property or assets of the Company or the Subsidiary, at law or equity, or before or by any court, federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may result in a Material Adverse Effect or materially adversely affects the ability of the Company or the Subsidiary to perform the obligations thereof and neither the Company or the Subsidiary is subject to any judgement, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may result in a Material Adverse Effect or materially adversely affects the ability of the Company to perform its obligations under this Agreement;

8.35 except as otherwise disclosed in the Offering Documents, to the knowledge of the Company, none of the directors or officers of the Company or any of the Material Subsidiaries is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere;

8.36 the operations of the Company and, to the Company's knowledge, its Subsidiary are and have been conducted at all times in compliance, in all material respects, with all applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and all other applicable anti-money laundering and anti-terrorist statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any court or Governmental Authority or body or any arbitrator involving the Company or its Subsidiary with respect to the Anti-Money Laundering Laws is, pending or, to the knowledge of the Company, threatened;

8.37

(i) the Company and its Subsidiary, as the case may be, owns or has the right to use all patents, patent rights, licences, inventions, copyrights, know how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names and other intellectual property (collectively, the "**Intellectual Property**") and all technology used or held for use in the conduct of the business now operated by the Company and its Subsidiary without any conflict with or infringement upon the rights of others, in each case with such exceptions as would not, individually or in the aggregate, result in a Material Adverse Effect and subject to limitations contained in any applicable licence agreement;

(ii) to the knowledge of the Company, there is no material infringement by third parties of such Intellectual Property;

(iii) there is no action, suit, proceeding or claim pending or, to the knowledge of the Company, threatened by others challenging the Company's or its Subsidiary's rights in or to any Intellectual property or the validity or scope of any Intellectual Property owned, licensed or commercialized by the Company and its Subsidiary; and

(iv) and the Company has no knowledge of any other fact which could form a reasonable basis for any such action, suit, proceeding or claim in each case, except as would not, individually or in the aggregate, result in a Material Adverse Effect;

8.38 the Company and its Subsidiary possess all permits, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by them, except where the failure to hold such Governmental Licenses would not, individually or in the aggregate, result in a Material Adverse Effect. The Company and its Subsidiary are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, individually or in the aggregate, result in a Material Adverse Effect;

8.39 neither the Company nor its Subsidiary has taken, nor will the Company or its Subsidiary take, directly or indirectly, any action which is designed to or which constitutes or might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities;

8.40 no approval, authorization, consent or other order of, permit, qualification, licence, decree or order from, and no filing, registration or recording with, any Governmental

Authority having jurisdiction over the Company or its Subsidiary is required for the performance by the Company or its Subsidiary of its obligations under the Material Contracts, except as have been or will be obtained or made prior to Closing;

8.41 the Company and its Subsidiary do not own any real property and have good and marketable title to all personal and movable properties and assets owned by them, in each case, free and clear of any Lien other than:

(i) those described in the Offering Documents, including the Financial Statements contained therein; or

(ii) those that do not, individually or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or its Subsidiary;

8.42 except for such matters as would not, individually or in the aggregate, result in a Material Adverse Change, neither the Company nor its Subsidiary is in default or breach of any real property lease, and neither the Company nor its Subsidiary has received any notice or other communication from the owner or manager of any real property leased by the Company or its Subsidiary that the Company or its Subsidiary is not in compliance with any real property lease, and to the knowledge of the Company, no such notice or other communication is pending or has been threatened;

8.43 to the knowledge of the Company, there are no outstanding judgments, writs of execution, seizures, injunctions or directives against, nor any work orders or directives or notices of deficiency capable of resulting in work orders or directives with respect to any of the properties or facilities operated by the Company that would be expected to result in a Material Adverse Change;

8.44 to the knowledge of the Company, none of the Company's directors or officers is now, or has ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;

8.45 other than as disclosed in the Offering Documents, no director or officer, or any other person not dealing at arm's length with the Company or its Subsidiary, their respective affiliates or their respective directors or officers, will continue after Closing to be engaged in any material transaction or arrangement with, or to be a party to a material contract with, or have any outstanding material loan, indebtedness, liability or obligation to, the Company or its Subsidiary;

8.46 other than as disclosed in the Offering Documents, neither the Company or its Subsidiary is a party to or bound by, and none of the business, operations, property or assets of the Company or its Subsidiary is subject to, any material non-arm's length agreements or arrangements other than on terms and at a price that would have applied if the parties had been dealing at arm's length;

8.47 other than as disclosed in the Offering Documents and pursuant to the terms of the BDC Loan and subject to applicable law,

(i) the Company is not currently prohibited, and will not be following the Closing, prohibited directly or indirectly, from paying any dividends or from making any other distributions on its share capital; and

(ii) the Subsidiary is not currently, and will not be following the Closing, prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on their respective share capitals, partnership interests or membership interests, as applicable, from repaying to the Company any loans or advances to them or from transferring any of their property or assets to the Company or to any other subsidiary of the Company;

8.48 except as disclosed in the Offering Documents, (i) neither the Company nor its Subsidiary, taken as a whole, is, to the Company's knowledge, in material violation of any Environmental Laws, (ii) the Company and its Subsidiary have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, except as such failure to hold permits, authorizations and approval and non-compliance may not be expected to result in a Material Adverse Change, and (iii) there are no actual or, to the Company's knowledge, pending administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, orders, directions, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against the Company or its Subsidiary that may result in a Material Adverse Change, and, to the knowledge of the Company, there are no facts or circumstances which would reasonably be expected to form the basis for any such administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, orders, directions, notices of non-compliance or violation, investigation or proceedings;

8.49 the Company and its Subsidiary, as the case may be, have each, except as would not result in a Material Adverse Effect:

(i) timely filed (or has had timely filed on their behalf) all returns, declarations, reports, estimates, information, returns, elections and statements (“**Returns**”) required to be filed or sent in respect of any governmental charges or required to be filed or sent by it to any taxing authority having jurisdiction since incorporation or organization to the extent due;

(ii) timely and properly paid (or has had paid on its behalf), all governmental charges due or claimed to be due by a Governmental Authority; and

(iii) has properly withheld or collected and remitted all amounts required to be withheld or collected and remitted by it in respect of any taxes or governmental charges;

8.50

(i) there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Company or its Subsidiary;

(ii) there is no tax deficiency which has been asserted against the Company or its Subsidiary which would have a Material Adverse Effect;

(iii) all material tax liabilities of the Company and its Subsidiary, taken as a whole, are adequately provided for in accordance with IFRS within the Financial Statements of the Company for all periods up to June 30, 2024; and

(iv) to the Company's knowledge, there are no actions, suits, proceedings, investigations or claims threatened or pending against the Company or its Subsidiary in respect of any taxes, governmental charges or assessments or any other matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority;

8.51 except as disclosed in the Offering Documents, the Company has not been notified of, nor is it a party to, any shareholders' agreement, voting agreement, investor rights agreement or any other agreement which in any manner affects the voting or control of any securities of the Company or its Subsidiary, except for certain restrictions contained in the BDC Loan;

8.52 there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the 1933 Act or to file a prospectus under Canadian Securities Laws with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the Offering;

8.53 the Common Shares are listed for trading on the TSX;

8.54 no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Company in connection with the execution and delivery of this Agreement or the performance by the Company of its obligations hereunder, or with the consummation of the transactions contemplated by this Agreement except as has been or will be obtained or made prior to Closing, or except where the failure to obtain or make, as the case may be, such approval, authorization, consent, order, filing, registration or recording would not individually or in the aggregate have a Material Adverse Effect;

8.55 there are no reports or information that, in accordance with the requirements of Canadian Securities Laws, must be made publicly available in connection with the Offering that have not been made publicly available as required; there are no documents required to be filed with any Canadian Securities Regulators in connection with the Offering that have not been filed as required by Canadian Securities Laws; there are no material contracts or material documents which are required to be described in the Offering Documents which have not been so described;

8.56 policies of insurance issued by insurers of recognized financial responsibility are maintained in respect of the operations, properties and assets, employees, directors and officers of the Company and the Subsidiary in such amounts and covering such risks as are prudent and customary in the businesses in which they are engaged. All such policies of insurance are in full force and effect and no material default exists under such policies of insurance as to the payment of premiums or otherwise under the terms of any such policy, there are no claims by the Company nor the Subsidiary under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and the Company has no Knowledge that it will not be able to renew the Company's or the Subsidiary's insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue their business. Neither the Company nor the Subsidiary has been denied any insurance coverage which it has sought or for which it has applied;

8.57 copies of the minute books of the Company and the Subsidiary made available to counsel for the Underwriters in connection with their due diligence investigation in respect of the offering of the Securities constitute all of the minute books of such entities and contain copies of all proceedings (or certified copies thereof) in respect of matters of the shareholders, the boards of directors and all committees of the boards of directors of the Company and the Subsidiary to the date of review of such minute books and there have been no other meetings, resolutions or proceedings in respect of matters of the shareholders, board of directors or any committees of the board of directors of the Company and the Subsidiary to the date of review of such minute books not reflected in such minutes and other records other than those which are not material in the context of the Offering, as applicable;

8.58 except as contemplated hereby, there is no person acting at the request of the Company or the Selling Shareholders who is entitled to any brokerage or agency fee in connection with the sale of the Securities contemplated herein;

8.59 no acquisition has been made by the Company or any Subsidiary during its three most recently completed fiscal years that would be a significant acquisition for the purposes of Canadian Securities Laws, and no proposed acquisition by the Company or any Subsidiary has progressed to a state where a reasonable person would believe that the likelihood of the Company or any Subsidiary completing the acquisition is high and that, if completed by the Company or any Subsidiary at the date of the Offering Documents, would be a significant acquisition for the purposes of Canadian Securities Laws, in each case, that would require the prescribed disclosure in the Offering Documents pursuant to such laws;

8.60 there are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or its Subsidiary is a party or to which any of the properties of the Company or its Subsidiary is subject (i) other than proceedings described in all material respects in the Offering Documents and proceedings that would not reasonably be expected to have a Material Adverse Effect on the Company and its Subsidiary, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by the

Offering Documents or (ii) that are required to be described in the Offering Documents and are not so described in all material respects. There is no matter under discussion with any Governmental Authority relating to taxes, governmental charges, orders or assessments asserted by any such authority and, other than as disclosed in the Offering Documents, there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, arbitration, governmental or other proceeding or investigation, taxes, governmental charges, orders or assessments, which in each case, if determined adversely to the Company, would have a Material Adverse Effect, or which would adversely affect the consummation of the transactions contemplated by this Agreement and the Material Contracts in any material respect or the performance by the Company or its Subsidiary of their obligations hereunder and thereunder;

8.61 neither the Company nor its Subsidiary, nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or any other person acting on behalf of the Company or its Subsidiary has:

(i) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada) or the *Foreign Corrupt Practices Act* of 1977 (U.S.);

(ii) taken any unlawful action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "**foreign public official**" (as such term is defined in the *Corruption of Foreign Public Officials Act* (Canada)) or any "foreign official" (as such term is defined in the *Foreign Corrupt Practices Act* of 1977 (U.S.));

(iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment; or

(iv) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; and the Company and its affiliates have instituted and maintain and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with applicable anti-corruption laws and with the representation and warranty contained herein;

8.62 neither the Company nor its Subsidiary nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or its Subsidiary is an individual or entity (an "**OFAC Person**"), or is owned or controlled by an OFAC Person, that is currently the subject or target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**")) or the U.S. Department of State and including, without limitation, the designation as a "**specially designated national**" or "**blocked person**"), the United Nations Security Council, the European Union, His Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), nor is the Company or its Subsidiary located, organized or resident in a country or territory that is the subject or the target of Sanctions (each, a "**Sanctioned Country**"); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other OFAC Person:

(i) to fund or facilitate any activities of or business with any OFAC Person that, at the time of such funding or facilitation, is the subject or the target of Sanctions;

(ii) to fund or facilitate any activities or business in any Sanctioned Country in violation of Sanctions; or

(iii) in any other manner that will result in a violation by any OFAC Person (including any OFAC Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. Since incorporation, the Company and its Subsidiary have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any OFAC Person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country in violation of Sanctions;

8.63 the Company has a reasonable basis for disclosing any forward-looking information contained in the Offering Documents and is not, as of the date hereof, required to update any such forward-looking statements pursuant to NI 51-102;

8.64 the Company is not a party to any Swaps or arrangements for Swaps;

8.65 to the knowledge of the Company, no insider (as such term is defined in Canadian Securities Laws) of the Company has disclosed a present intention to sell any securities of the Company held by it, other than pursuant to the terms of this Agreement;

8.66 except as disclosed in the Offering Documents, the Company does not have knowledge of any applicable law or regulation or position of a Governmental Authority, or any announced, pending or contemplated change thereto or any announced, pending or contemplated new law or regulation or position of a Governmental Authority that, in any of these cases, would have a Material Adverse Effect;

8.67 any statistical and market-related data included in the Offering Documents is based on or derived from sources that the Company believes are reliable and accurate, and the Company has obtained the consent to the use of such data from such sources to the extent required;

8.68 other than as disclosed in the Offering Documents, there are no stock phantom equity arrangements or similar rights that will be triggered or vest upon completion of or following the Offering;

8.69 each of the Equity Incentive Plans have been duly approved by the Company and comply in all material respects with the rules and policies of the TSX; other than as disclosed in the Offering Documents, there are no benefit or incentive plans of the Company;

8.70 other than as disclosed in the Offering Documents, there are no other profit sharing arrangements in place that provide for any additional payments by the Company;

8.71 to its knowledge, the Company has not withheld from the Underwriters any fact or information relating to the Company, its Subsidiary or to the Offering that would reasonably be expected to be material to the Underwriters; and

8.72 the Company is qualified under NI 44-101 to file a prospectus in the form of a short form prospectus.

9. Additional Representations and Warranties of the Selling Shareholders

Each of the Selling Shareholders severally (and not jointly and not jointly and severally) represents and warrants to the Underwriters with respect to itself, and not with respect to any other Selling Shareholder, and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Purchased Shares and Additional Shares (if any) that:

9.1 if a corporation:

(i) the Selling Shareholder is existing under the laws of its jurisdiction of incorporation, formation or continuation, as the case may be, and has the power and authority to own, lease and operate its properties and assets; and

(ii) the Selling Shareholder has the requisite power, authority and capacity to enter into and deliver this Agreement and to perform its obligations hereunder;

9.2 if an individual, the Selling Shareholder is of the full age of majority and is legally competent to execute and deliver this Agreement and to observe and perform his or her covenants and obligations hereunder;

9.3 this Agreement has been duly authorized, executed and delivered by the Selling Shareholder and constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against it in accordance with its terms; except as enforcement hereof and thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law;

9.4 the sale of the Securities by the Selling Shareholder and the compliance by the Selling Shareholder with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, the terms, conditions or provisions of the Selling Shareholder’s constating documents or any resolutions of its directors or shareholders, any applicable laws, indenture, note, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, or to which any of the property or assets of the Selling Shareholder is subject or any statute or any order, rule or regulation of any Governmental Authority having jurisdiction over the Selling Shareholder or the property thereof;

9.5 the Selling Shareholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities;

9.6 except as described in the Offering Documents, there are no contracts, agreements or understandings between such Selling Shareholder and any person that would give rise to a valid claim against such Selling Shareholder or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with this Offering;

9.7 there is no action, proceeding or investigation pending or, to the knowledge of the Selling Shareholder, threatened against or affecting the Selling Shareholder, at law or in equity, before or by any Governmental Authority, which questions the validity of any action taken or to be taken by the Selling Shareholder pursuant to this Agreement or in connection with the Offering;

9.8 the Selling Shareholder is, or will be at the Closing Time, the sole registered or beneficial owner of all of the Securities set forth beside his, her or its name in Schedule C;

9.9 the Selling Shareholder has, or at the Closing Time or at the Option Closing Time, as applicable, will have, full legal right, power and authority to sell the Securities set forth beside his, her or its name in Schedule C, free and clear of any Lien, claim, security interest or other encumbrance whatsoever;

9.10 no person (except the Underwriters) will have any written or oral agreement, option, understanding or commitment, or any right of privilege (whether by applicable law, pre-emptive or contractual) capable of becoming such, under which the Selling Shareholder is, or may become, obligated to transfer, assign or dispose of any Securities set forth beside his, her or its name in Schedule C; and

9.11 other than as may be required under Canadian Securities Laws, no authorization is required for the sale or delivery by the Selling Shareholder of the Securities set forth beside his, her or its name in Schedule C as contemplated by this Agreement.

10. <u>Delivery</u>

Delivery of the Offering Documents will be satisfied in accordance with the "access equals delivery" provisions contained in Part 2A of NI 41-101 and the Underwriters and the Company shall satisfy any request for electronic or paper copies of the Offering Documents in accordance with the requirements of NI 41-101, without charge.

11. <u>Commercial Copies</u>

If requested by the Underwriters, the Company shall cause commercial copies of the Offering Documents to be printed and delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by written instructions to the printer of such documents. Such delivery of the Offering Documents shall be effected as soon as possible after receipt of the Preliminary Receipt and the Final Receipt, as applicable, but in any event on or before 2:00 p.m. (Vancouver time) on the Business Day immediately following the receipt of the Preliminary Receipt or the Final Receipt, as applicable. Such deliveries shall constitute the consent of the Company and the Selling Shareholders to the Underwriters' use of the Offering Documents for the distribution of Securities in compliance with the provisions of this Agreement and the Canadian Securities Laws and United States Securities Laws. The Company shall similarly cause to be delivered commercial copies of any Offering Document Amendments. The commercial copies of the Preliminary Prospectus and the Final Prospectus shall be identical in content to the electronically transmitted versions thereof filed with Canadian Securities Regulators on SEDAR+.

12. Completion of Distribution

The Underwriters shall after the Closing Time and, if applicable, the Option Closing Time, give prompt written notice to the Company when, in the opinion of the Underwriters, they have completed distribution of the Purchased Shares or the Additional Shares, as the case may be, including the total proceeds realized in each of the Qualifying Jurisdictions and any other jurisdiction provided that such notice shall be provided on a Business Day no later than 30 days following the date on which such distribution shall have been completed.

13. Material Change or Change in Material Fact During Distribution and Other Covenants

13.1 During the period from the date of this Agreement to the later of the Closing Date and the date of completion of distribution of the Securities under the Offering Documents, the Company and the Selling Shareholders (but in the case of a Selling Shareholder, only to the extent related to Selling Shareholders' Information applicable to such Selling Shareholder) shall promptly, after receiving notice or obtaining knowledge, notify the Underwriters and their counsel in writing of the full particulars of:

(i) (a) the issuance by any securities commission, stock exchange or comparable authority of any order suspending or preventing the use of any Offering Document or Offering Document Amendment, (b) the suspension of the qualification of the Securities for offering or sale in any of the Qualifying Jurisdictions or in the United States, (c) the institution, threatening or contemplation of any proceeding for any of those purposes, or (d) any requests made by any securities commission, stock exchange or comparable authority for amending or supplementing any Offering Document or Offering Document Amendment or for additional information, and the Company will use its reasonable best efforts to prevent the issuance of any such order and, if any such order is issued, to obtain the withdrawal of the order promptly;

(ii) any material change (whether actual, anticipated, contemplated or proposed by, or threatened) or development involving a prospective material change in the results of operations, condition (financial or otherwise), business, affairs, prospects, assets, properties, liabilities (contingent or otherwise), cash flows, income, business operations or capital of the Company and the Subsidiary taken as a whole, whether or not arising from transactions in the ordinary course of business;

(iii) any material fact that has arisen or has been discovered and would have been required to have been stated in the Offering Documents or any Offering Document Amendment had the fact arisen or been discovered on, or prior to, the date of such document; and

(iv) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents or any Offering Document Amendment, which fact or change is, or may be, in any case, of such a nature as to render any statement in the Offering Documents or any Offering Document Amendment misleading or untrue or which would result in a misrepresentation in the Offering Documents or any Offering Document Amendment or which would result in the Offering Documents or any Offering Document Amendment not complying (to the extent that such compliance is required) with Canadian Securities Laws or United States Securities Laws.

13.2 Subject to Section 6.3(iii), the Company shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriters, acting reasonably, with all applicable filings and other requirements under Canadian Securities Laws and United States Securities Laws, as a result of a fact or change referred to in Section 13.1. 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 Section 13.1.

13.3 The Company covenants and agrees with the Underwriters that it will:

(i) promptly provide to the Underwriters, and will cause the Subsidiary to provide to the Underwriters, during the period commencing on the date hereof and until completion of the distribution of the Securities, copies of any filings made by the Company or the Subsidiary of information relating to the offering of the Securities with any securities exchange or any regulatory body in Canada or the United States or any other jurisdiction;

(ii) promptly provide to the Underwriters, during the period commencing on the date hereof and until completion of the distribution of the Securities, drafts of any press releases and other public documents of the Company or the Subsidiary relating to the Company or the offering contemplated by this Agreement for review by the Underwriters and the Underwriters' counsel prior to issuance, provided that any such review will be completed in a timely manner; and

(iii) if requested by the Underwriter, deliver to the Underwriters, without charge, contemporaneously with or prior to the filing of the Final Prospectus or any

Prospectus Amendment, a copy of any document required to be filed by the Company, if any, under Canadian Securities Laws in connection with the offering of the Purchased Shares or the Additional Shares contemplated by this Agreement.

14. Services Provided by Underwriters and Underwriting Fee

14.1 In consideration of the Underwriters' agreement to purchase the Securities from each of the Selling Shareholders, and in consideration of the services to be rendered by the Underwriters in connection therewith, each of the Selling Shareholders agrees to pay to the Underwriters a cash fee equal to 6.0% of the aggregate gross proceeds of the Offering (including for greater certainty, any gross proceeds under the Over-Allotment Option, if exercised) (the "**Underwriting Fee**").

14.2 The Underwriting Fee shall be payable as provided for in Section 15.

15. Delivery of Purchase Price, Underwriting Fee and Securities

15.1 The purchase and sale of the Securities shall be completed at the Closing Time by the electronic exchange of documents or at such other place as the Underwriters, the Selling Shareholders and the Company may agree upon.

15.2 At the Closing Time or the Option Closing Time, as the case may be, each Selling Shareholder shall duly deliver to the Underwriters in the form of an electronic deposit pursuant to the non-certificate issue system (the "**NCI System**") maintained by CDS Clearing & Depository Services Inc., or in the manner directed by the Underwriters in writing, its respective Purchased Shares or Additional Shares, as the case may be, registered in the name of "CDS & Co.", or in such other name or names as Canaccord may notify the Company in writing not less than 48 hours prior to the Closing Time or Option Closing Time, as the case may be. Purchased Shares or Additional Shares, as the case may be, shall be delivered against payment by the Underwriters to the Selling Shareholders of the Purchase Price for the Purchased Shares or Additional Shares, as the case may be, net of the Underwriting Fee and the fees and expenses contemplated in Section 22.2, by wire transfer of immediately available funds together with a receipt signed by Canaccord, on behalf of the Underwriters, for such securities representing Purchased Shares or Additional Shares, as the case may be, purchased by the Underwriters for resale, and for receipt of the Underwriting Fee. Payment for the Purchased Shares and Additional Shares (if any) shall be made to each Selling Shareholder, by wire transfer of immediately available funds to the account or accounts specified in writing by each Selling Shareholder against delivery of such Purchased Shares and Additional Shares for the respective accounts of the Underwriters at the Closing Time or the Option Closing Time, as the case may be, as shall be designated in writing by Canaccord.

15.3 In order to facilitate an efficient and timely closing at the Closing Time and the Option Closing Time, as the case may be, Canaccord, on behalf of the Underwriters, may choose to initiate wire transfers of immediately available funds to the Selling Shareholders prior to the Closing Time or prior to the Option Closing Time, as the case may be. If Canaccord does so, the Selling Shareholders agree that such transfer of funds prior to the Closing Time and prior to the Option Closing Time, as the case may be, does not constitute a waiver by the Underwriters of any of the conditions of Closing or the Option Closing set out in this Agreement. Furthermore, the Selling Shareholders agree that any such funds received by a Selling Shareholder from the Underwriters prior to the Closing Time or prior to the Option Closing Time, if applicable, will be held by such Selling Shareholder in trust solely for the benefit of the Underwriters until the Closing Time or the Option Closing Time, as the case may be, and if the Closing or the Option Closing, as the case may be, does not occur at the scheduled Closing Time or the Option Closing Time, as the case may be, such funds shall be immediately returned by wire transfer to Canaccord, on behalf of the Underwriters, without interest. Upon the satisfaction of the conditions of Closing or the Option Closing, as the case may be, and the delivery to the Underwriters of the items set out in Section 16, the funds held by a Selling Shareholder in trust for the Underwriters shall be deemed to be delivered by the Underwriters to the Selling Shareholder in satisfaction of the obligation of the Underwriters under this Section 15 and upon such delivery, the trust constituted by this Section 15 shall be terminated without further formality.

16. Delivery of Securities to Transfer Agent

16.1 The Company and the Selling Shareholders, prior to the Closing Date or the Option Closing Date, as the case may be, shall make all necessary arrangements for the electronic deposit pursuant to the NCI System of the Purchased Shares or Additional Shares, as the case may be, on the Closing Date or the Option Closing Date, as the case may be, with the Transfer Agent.

16.2 All fees and expenses payable to the Transfer Agent in connection with the electronic deposit pursuant to the NCI System of the Purchased Shares and the Additional Shares contemplated by this Section 16 and the fees and expenses payable to the Transfer Agent in connection with the initial or additional transfers as may be required in the course of the distribution of the Securities shall be borne by the Company.

17. Conditions to the Underwriters' Obligation to Purchase the Purchased Shares

The Underwriters' obligation to purchase the Purchased Shares at the Closing Time shall be subject to the accuracy of the representations and warranties of the Company and the Selling Shareholders contained in this Agreement as of the date of this Agreement and as of the Closing Date, the performance by each of the Company and the Selling Shareholders of their obligations under this Agreement and the following conditions:

17.1 Delivery of Opinions

(i) The Underwriters shall have received at the Closing Time a favourable legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Underwriters, acting reasonably, addressed to the Underwriters (and if required for opinion purposes, counsel to the Underwriters) from McCarthy Tétrault LLP, Canadian counsel to the Company, as to the laws of Canada and the Qualifying Jurisdictions, which counsel in turn may rely upon the opinions of local counsel where it deems such reliance proper as to the laws other than the laws of the provinces of Alberta, British Columbia and Ontario (or alternatively, make arrangements to have such opinions directly addressed to the Underwriters and counsel to the Underwriters), and all of such counsel may rely upon, as to matters of fact, certificates of the auditors of the Company, public officials and officers of the Company, and letters from stock exchange representatives and transfer agents, with respect to the following matters:

(A) as to the existence and good standing with respect to the filing of annual returns of the Company and the Subsidiary under the laws of their respective jurisdiction of incorporation or formation;

(B) as to the issued and outstanding capital of the Company;

(C) as to the adequacy of the corporate power and capacity of the Company to enter into this Agreement and to carry out its obligations hereunder;

(D) that the authorized and issued capital of the Company and the Subsidiary conforms as to legal matters to the description thereof contained in the Offering Documents, and the Securities have been duly authorized by all necessary corporate action of the Company and have been validly issued by the Company and are outstanding as fully paid and non-assessable shares of the Company;

(E) that each of the Company and the Subsidiary has all requisite corporate power, capacity and authority under the laws of its respective jurisdiction of incorporation or formation to carry on its businesses as presently carried on and to own its property and assets as described in the Final Offering Documents;

(F) that no authorization, consent or approval of, or filing, registration, permit, license, decree, qualification or recording with, any Governmental Authority in the Qualifying Jurisdictions is required for the performance by the Company of its obligations hereunder, the delivery to the Underwriters of the Purchased Shares or Additional Shares, as the case may be, hereunder or the consummation of the transactions contemplated by this Agreement (including, without limitation, the distribution of the Securities in the manner contemplated herein), other than those that have been obtained or made prior to Closing;

(G) that all necessary corporate action has been taken by the Company to authorize (i) the execution, delivery and performance of this

Agreement, and (ii) the delivery and, if applicable, the execution and filing of, the Preliminary Prospectus, the Final Offering Documents, and, if applicable, any Offering Document Amendment, under the Canadian Securities Laws in each of the Qualifying Jurisdictions;

(H) that the attributes of the Securities are accurately summarized in all material respects in the Preliminary Prospectus and the Final Prospectus;

(I) that this Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company, in accordance with its terms, subject to customary qualifications for enforceability;

(J) that the execution, delivery and performance of this Agreement by the Company does not constitute, and will not result in any breach or violation of, (i) any term or provision of the constating documents of the Company or the Subsidiary and (ii) the applicable laws of general application in British Columbia;

(K) that the statements under the heading "Eligibility for Investment" in the Preliminary Prospectus and the Final Prospectus are accurate in all material respects, subject to the assumptions, qualifications, limitations and restrictions set out therein;

(L) that, subject to the qualifications, assumptions, limitations and restrictions referred to in the section entitled "Certain Canadian Federal Income Tax Considerations" in the Preliminary Prospectus and the Final Prospectus, the statements made therein, to the extent that such statements summarize matters of law or legal conclusions, fairly summarize the matters described therein in all material respects; and

(M) that all necessary documents have been filed, all requisite proceedings have been taken and all legal requirements have been fulfilled by the Company to qualify the Securities for distribution and sale to the public in each of the Qualifying Jurisdictions through investment dealers or brokers registered in such categories under the applicable laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such applicable laws.

(ii) The Underwriters shall have received at the Closing Time a favourable legal opinion dated the Closing Date, in form and substance satisfactory to counsel to the Underwriters, acting reasonably, addressed to the Underwriters (and if required for opinion purposes, counsel to the Underwriters) from legal counsel to each of the Selling Shareholders, as to the laws of Canada and the Qualifying

Jurisdictions, which counsel in turn may rely upon the opinions of local counsel where it deems such reliance proper as to the laws other than the laws of the provinces of Alberta, British Columbia and Ontario (or alternatively, make arrangements to have such opinions directly addressed to the Underwriters and counsel to the Underwriters), and all of such counsel may rely upon, as to matters of fact, certificates of the auditors of the Selling Shareholders, officers of the Selling Shareholders, and letters from stock exchange representatives and transfer agents, as applicable, with respect to the following matters:

(A) if a corporation, as to the valid existence of the Selling Shareholder under the laws of its jurisdiction;

(B) if a corporation, as to the adequacy of the corporate power and capacity of the Selling Shareholder to enter into this Agreement and to carry out its obligations hereunder, including the delivery to the Underwriters by Selling Shareholder of the Purchased Shares or Additional Shares, as the case may be;

(C) that this Agreement has been duly authorized, executed and delivered by the Selling Shareholder and constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder, in accordance with its terms, subject to customary qualifications for enforceability;

(D) that no authorization, consent or approval of, or filing, registration, permit, license, decree, qualification or recording with, any Governmental Authority in the Qualifying Jurisdictions is required for the performance by the Selling Shareholder of its obligations hereunder, the delivery to the Underwriters of the Purchased Shares or Additional Shares, as the case may be, hereunder or the consummation of the transactions contemplated by this Agreement (including, without limitation, the distribution of the Securities in the manner contemplated herein), other than those that have been obtained or made prior to Closing; and

(E) that the execution, delivery and performance of this Agreement by the Selling Shareholder, including the delivery of the Purchased Shares or the Additional Shares, as the case may be, does not constitute and will not result in any breach or violation of: (i) the applicable laws of general application in British Columbia and (ii) if a corporation, any term or provision of the constating documents of the Selling Shareholder or any resolution of the board of the Selling Shareholder.

(iii) If the Securities are validly sold in the United States in accordance with the terms of this Agreement, the Underwriters shall have received at the Closing Time a favourable opinion of U.S. counsel to the Company, in form and substance satisfactory to the Underwriters, acting reasonably, to the effect that the offer, sale and delivery of the Securities in the United States is not required to be registered under the 1933 Act.

17.2 Delivery of Comfort Letter at Closing

The Underwriters shall have received from MNP LLP at the Closing Time a "bring-down" comfort letter dated the Closing Date, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters, the Selling Shareholders and the directors of the Company, confirming the continued accuracy of the comfort letter to be addressed to the Underwriters, the Selling Shareholders and the directors of the Company pursuant to Section 6.1 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, provided such changes are acceptable to the Underwriters, acting reasonably.

17.3 Delivery of Certificates

(i) The Underwriters shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriters signed by two senior officers of the Company in form and substance satisfactory to the Underwriters, acting reasonably, with respect to the articles, notice of articles and other constating documents of the Company, all resolutions of the board of directors of the Company relating to this Agreement, the incumbency and specimen signatures of signing officers of the Company.

(ii) The Underwriters shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriters and signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company or two other senior officers of the Company acceptable to the Underwriters, certifying for and on behalf of the Company and without personal liability after having made enquiry and after having examined the Offering Documents and any Offering Document Amendment, that:

(A) since the date as of which information is given in the Offering Documents there has been no Material Adverse Change and that no material transaction has been entered into by the Company or the Subsidiary other than as disclosed in the Offering Documents;

(B) the Offering Documents (except any Underwriters' Information) (i) do not contain a misrepresentation and contain full, true and plain disclosure of all material facts relating to the Securities; and (ii) do not contain an untrue statement of a material fact or omit to state a material fact that is required to be stated or that is necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(C) no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Securities or any other securities of the Company has been issued by any Governmental Authority and no proceedings for that purpose has been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any Governmental Authority;

(D) the Company has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with at or prior to the Closing Time; and

(E) the representations and warranties of the Company contained in this Agreement and in any certificates or other documents delivered by the Company pursuant to or in connection with this Agreement are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only and in respect of any representations and warranties that are subject to a materiality qualification in which case, they will be true and correct in all respects.

(iii) The Underwriters shall have received at the Closing Time certificates dated the Closing Date, addressed to the Underwriters and signed on behalf of each of the Selling Shareholders severally (and not jointly and not jointly and severally) or by an officer thereof in the case of a corporation, certifying for and on behalf of each of the Selling Shareholders and without personal liability, after having made due enquiry:

(A) that such Selling Shareholder has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with at or prior to the Closing Time; and

(B) that the representations and warranties of the Selling Shareholder contained in this Agreement and in any certificates or other documents delivered by such Selling Shareholder pursuant to or in connection with this Agreement are true and correct in all material respects as of the Closing Time, with the same force and effect as if made at and as of the Closing Time, after giving effect to the transactions contemplated by this Agreement, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only and in respect of any representations and warranties that are subject to a materiality qualification, in which case they will be true and correct in all respects.

17.4 Additional Conditions

(i) Each of the Selling Shareholders shall have executed and delivered to the Underwriters a lock-up agreement in the form set forth in Schedule B; and

(ii) The Underwriters shall have received such other customary closing certificates, options, receipts, agreements or documents as the Underwriters may reasonably request.

18. Conditions to Underwriters Obligations to Purchase the Additional Shares

The several obligations of the Underwriters to purchase the Additional Shares hereunder are subject to the accuracy of the representations and warranties of the Company and the Selling Shareholders contained in this Agreement as of the date of this Agreement and as of the Option Closing Date, the performance by the Company and the Selling Shareholders of their obligations under this Agreement, the delivery to the Underwriters on the Option Closing Date of the deliverables set forth in Section 17.1, 17.2 and 17.3 dated the Option Closing Date, and such other documents as the Underwriters may reasonably request with respect to the good standing of the Company, the delivery of the Additional Shares and other matters related to the delivery of the Additional Shares.

19. Rights of Termination

The Underwriters may terminate their obligations under this Agreement by delivering written notice to that effect to the Company and the Selling Shareholders at or prior to Closing Time, or the Option Closing Time, as applicable, in any of the following circumstances:

19.1 Proceedings to Restrict Distribution

(a) Any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order is made or issued under or pursuant to any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including without limitation the TSX or any securities regulatory authority) or there is a change in any law, rule or regulation, or the interpretation or administration thereof, which, in the reasonable opinion of the Underwriters, operates to prevent, restrict or otherwise materially adversely affect the distribution or trading of the Securities.

(b) An order shall have been made or threatened to cease or suspend trading in the Securities or any other securities of the Company, or to otherwise prohibit or restrict in any manner the distribution or trading of the Securities or any other securities of the Company, or proceedings are announced or commenced for the making of any such order by any securities regulatory authority or similar regulatory or judicial authority or the TSX, which order has not been rescinded, revoked or withdrawn.

19.2 Disaster Clause

There should develop, occur or come into effect or existence any event, action, state, or condition or any action, law or regulation, inquiry, including, without limitation, terrorism, accident or major financial, political or economic occurrence of national or international consequence, or any action, government, law, regulation, inquiry or other occurrence of any nature, which, in the reasonable opinion of the Underwriters, materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company or the marketability of the Securities.

19.3 Material Change or Change in Material Fact

There shall (i) occur or come into effect any material change in the business, affairs (including, for greater certainty, any change to the board of directors or executive management of the Company, including the departure of the Company's CEO, CFO, COO or President (or persons in equivalent position)), financial condition, prospects, capital or control of the Company and its subsidiaries, taken as a whole, or any change in any material fact which in the reasonable opinion of the Underwriters (or any of them), has or could reasonably be expected to have a material adverse effect on the market price or value or marketability of the Secondary Shares; or (ii) come to the attention of the Underwriters a previously undisclosed material fact which, in each case, in the reasonable opinion of the Underwriters (or any of them), has or could reasonably be expected to have a material adverse effect on the market price or value or marketability of the Securities.

19.4 Non-Compliance With Conditions

If the Company or the Selling Shareholders are in material breach of any term, condition or covenant of this Agreement that may not be reasonably expected to be remedied prior to the Closing Date or Option Closing Date, as the case may be, or any representation or warranty given by the Company, the Selling Shareholders becomes or is false in any material respect.

The rights of termination contained in Sections 19.1, 19.2, 19.3 and 19.4 may be exercised by any of the Underwriters with respect to the obligation of such Underwriter, and are in addition to any other rights or remedies that any of the Underwriters may have in respect of any default, act or failure to act or non-compliance by the Selling Shareholders or the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the terminating Underwriter(s) to the Selling Shareholders or the Company, or on the part of the Selling Shareholders or the Company to the terminating Underwriter(s), except in respect of any liability which may have arisen prior to or arise after such termination under Sections 20, 21 and 23. A notice of termination given by an Underwriter under Sections 19.1, 19.2, 19.3, and 19.4 shall not apply to or be binding upon any other Underwriter.

20. **Indemnity**

20.1 Rights of Indemnity

(i) The Company agrees to indemnify and save harmless each of the Underwriters and each of their affiliates and their respective directors, officers, employees and agents, and each person, if any, controlling any Underwriter (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") from and against all losses, costs, expenses, claims, actions, damages and liabilities (other than losses of profit or other consequential damages in connection with the distribution of the Securities), including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, commenced or threatened, and any and all expenses whatsoever including the reasonable fees and expenses of counsel of any Underwriter that may be incurred in investigating, preparing for and/or defending any action, suit, proceeding, investigation or claim made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**"), to which an Indemnified Party may become subject insofar as the Claims are caused by, result from, arise out of or are based upon, directly or indirectly:

(A) any information or statement (except any Underwriters' Information or Selling Shareholders' Information) contained in the Offering Documents, any Offering Document Amendment or any marketing materials, or in any certificate of the Company delivered pursuant to this Agreement that at the time and in light of the circumstances under which it was made contains or is alleged to contain (i) a misrepresentation; or (ii) an untrue statement of a material fact or an omission to state a material fact that is required to be stated therein or that is necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(B) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission, stock exchange, court or other competent authority, or any change of law or interpretation of administration thereof which prevents or restricts the trading in or the sale or distribution of the Securities in the Qualifying Jurisdictions or in the United States;

(C) the non-compliance or alleged non-compliance or a breach or violation or alleged breach or violation, by the Company with any of its obligations under Canadian Securities Laws or United States Securities Laws; or

(D) any breach by the Company of its representations, warranties, covenants or obligations to be complied with under this Agreement or under any other document delivered pursuant to this Agreement.

(ii) Each of the Selling Shareholders severally (and not jointly and severally) agrees to indemnify and save harmless each of the Indemnified Parties from and against all Claims, to which an Indemnified Party may become subject insofar as the Claims are caused by, result from, arise out of or are based upon, directly or indirectly:

(A) any information or statement (except any Underwriters' Information) in any Selling Shareholders' Information related to such Selling Shareholder or in any certificate of such Selling Shareholder delivered pursuant to this Agreement that at the time and in light of the circumstances under which it was made contains or is alleged to contain (i) a misrepresentation; or (ii) an untrue statement of a material fact or an omission to state a material fact that is required to be stated therein or that is necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(B) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission, stock exchange, court or other competent authority, or any change of law or interpretation of administration thereof arising solely from any misrepresentation contained in any Selling Shareholders' Information related to such Selling Shareholder, which prevents or restricts the trading in or the sale or distribution of the Securities in the Qualifying Jurisdictions;

(C) the non-compliance or alleged non-compliance or a breach or violation or alleged breach or violation, by such Selling Shareholder with any of its obligations under Canadian Securities Laws or United States Securities Laws; or

(D) any breach by such Selling Shareholder of its representations, warranties, covenants or obligations to be complied with under this Agreement or under any other document delivered pursuant to this Agreement.

Notwithstanding anything to the contrary contained in this Agreement, the maximum aggregate amount payable by a Selling Shareholder under the indemnity provision contained this Section 20.1(ii) and the contribution provision contained in Section 21 shall be the extent of the net proceeds actually received by the applicable Selling Shareholder under the Offering.

(iii) The rights of indemnity contained in this Section 20 will not inure to the benefit of the Indemnified Parties if the person asserting any Claim contemplated by this Section 20 was not provided by the Indemnified Parties with a copy of any Offering Document or Offering Document Amendment: (a) which corrects any untrue statement or information, misrepresentation or omission which is the basis of the Claim and (b) which is required under Canadian Securities Laws or United States Securities Laws to be delivered to that person by the Underwriters.

(iv) As used in this Agreement "**Applicable Indemnifier(s)**" means (i) the Company, in respect of a claim for indemnification under Section 20.1(i); or (ii) the applicable Selling Shareholder in respect of a claim for indemnification under Section 20.1(ii), as applicable.

(v) If and to the extent that a court of competent jurisdiction in a final judgement from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that the losses, costs, expenses, claims, actions, damages and liabilities resulted from the gross negligence, fraud or wilful misconduct of an Indemnified Party claiming indemnity, such Indemnified Party shall promptly reimburse to the Applicable Indemnifier, any funds advanced to the Indemnified Party in respect of such Claim and the indemnity provided for in this Section 20 shall cease to apply to such Indemnified Party in respect of such Claim. For greater certainty, the Company, Selling Shareholders and the Underwriters agree that they do not intend that any failure by the Underwriters to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing the Offering Documents contained no misrepresentation shall constitute "gross negligence" or "wilful misconduct" for the purposes of this Section 20 or otherwise disentitle the Underwriters from indemnification hereunder.

20.2 Notification of Claims

If any Claim is asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be provided, such Indemnified Party will notify the Applicable Indemnifier(s) in writing, as soon as possible of the nature of such Claim (but failure or delay to so notify the Applicable Indemnifier(s) of any potential Claim shall not relieve the Applicable Indemnifier(s) from any liability which it may have to any Indemnified Party except that any failure to so notify the Applicable Indemnifier(s) of any actual Claim shall affect the Applicable Indemnifier(s)' liability only to the extent that it is materially prejudiced by such failure or delay). The Applicable Indemnifier(s) shall assume the defence of any suit brought to enforce such Claim; provided, however, that the defence shall be conducted through legal counsel reasonably acceptable to the Indemnified Party, and provided that no settlement of any such Claim or admission of liability may be made by the Applicable Indemnifier(s) without the prior written consent of the Indemnified Parties, acting reasonably, such consent not to be unreasonably withheld or delayed, or unless such settlement, compromise or judgment: (i) includes an unconditional release of each Indemnified Party from all liability arising out of such Claim; and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnified Party.

20.3 Right of Indemnity in Favour of Others

With respect to any Indemnified Party who is not a party to this Agreement, the Underwriters shall obtain and hold the rights and benefits of this Section 20 in trust for and on behalf of such Indemnified Party.

20.4 Retaining Counsel

In any Claim, the Indemnified Party shall have the right to retain one other counsel in each jurisdiction to act on its behalf, provided that the reasonable fees and disbursements of such counsel shall be paid by the Indemnified Party, unless: (i) the Applicable Indemnifier(s) and the Indemnified Party shall have mutually agreed to the retention of the other counsel; (ii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Party and the Applicable Indemnifier(s), and the Indemnified Party shall have reasonably concluded that there may be legal defences available to the Indemnified Party that are different or in addition to those available to the Applicable Indemnifier(s) or the Indemnified Party shall have been advised in writing by legal counsel that the representation of all parties by the same counsel would be inappropriate due to the actual or potential differing interests between them; or (iii) the Applicable Indemnifier(s) shall not have assumed responsibility for the Claim and retained acceptable counsel within 10 days following receipt by the Applicable Indemnifier(s) of notice of any such Claim from the Indemnified Party, provided, however, that no settlement of any such Claim or admission of liability may be made by the Indemnified Party without the prior written consent of the Company and the Selling Shareholders, as the case may be, acting reasonably. If at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel, such Indemnifying Party agrees that it shall be liable for any settlement of the nature contemplated by this section effected without its written consent if (i) such settlement is entered into more than 45 days after receipt by such Indemnifying Party of the aforesaid request, (ii) such Indemnifying Party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such Indemnifying Party shall not have reimbursed such Indemnified Party in accordance with such request prior to the date of such settlement.

21. <u>Contribution</u>

21.1 Rights of Contribution

In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 20 would otherwise be available in accordance with its terms but is, for any reason not solely attributable to any one or more of the Indemnified Parties, held to be unavailable to, or unenforceable by the Indemnified Parties, or enforceable otherwise than in accordance with its terms, the Applicable Indemnifier(s) and the Indemnified Parties shall:

(i) contribute to the aggregate of all claims, expenses, costs and liabilities and all losses of a nature contemplated by Section 20 in such proportions so that the Indemnified Parties shall be responsible for the portion represented by the percentage that the aggregate Underwriting Fee payable to the Underwriters hereunder bears to the aggregate offering price of the Securities and Applicable Indemnifier(s) shall be responsible for the balance; and

(ii) if the allocation provided by Section 21.1(i) above is not permitted by applicable law, the Applicable Indemnifier(s) and the Indemnified Parties shall contribute such proportions as is appropriate to reflect not only the relative benefits referred to in Section 21.1(i) above but also the relative fault of the Company and the Selling Shareholders, on the one hand, and the Indemnified Parties, on the other hand, in connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses, as determined by final judgment of a court of competent jurisdiction, as well as any other relevant equitable considerations,

provided, however, that: (a) the Indemnified Parties shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate Underwriting Fee or any portion of such fee actually received under this Agreement; (b) no Selling Shareholder shall in any event be liable to contribute, in the aggregate, any amount in excess of the maximum amount for which it may be liable under the indemnity contemplated by Section 20.1(ii) less any amounts otherwise payable by such Selling Shareholder hereunder, including Section 20.1(ii) above; and (c) no party who has been determined by a court of competent jurisdiction in a final, non-appealable judgment to have engaged in any fraud, wilful default or gross negligence in connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses shall be entitled to claim contribution from any person who has not been determined by a court of competent jurisdiction in a final, non-appealable judgment to have engaged in such fraud, wilful default or gross negligence in connection with such Claim or Claims.

The relative fault of the Company or a Selling Shareholder on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the matters or things referred to in Section 20.1(i) or Section 20.1(ii), as applicable, which resulted in such Claims, relate to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Company or a Selling Shareholder, as applicable, or to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Underwriters and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing referred to in Section 20.1(i) or Section 20.1(ii), as applicable. The amount paid or payable by an Indemnified Party as a result of the Claims referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such liabilities, claims, demands, losses, costs, damages and expenses, whether or not resulting in an action, suit, proceeding or claim.

21.2 Rights of Contribution in Addition to Other Rights

The rights to contribution provided in this Section 21 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law or in equity.

21.3 Calculation of Contribution

In the event that the Applicable Indemnifier(s) may be held to be entitled to contribution from the Indemnified Parties under the provisions of any statute or at law, the Applicable Indemnifier(s) shall be limited to contribution in an amount not exceeding the lesser of:

(i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Indemnified Parties are responsible, as determined in Section 21.1; and

(ii) the amount of the Underwriting Fee actually received by the Underwriters under this Agreement;

and an Indemnified Party shall in no event be liable to contribute any amount in excess of such Indemnified Party's portion of the Underwriting Fee actually received under this Agreement.

21.4 Notice

If the Indemnified Parties have reason to believe that a claim for contribution may arise, they shall give the Company and the Selling Shareholders notice of such claim in writing, as soon as reasonably possible, but failure or delay to so notify the Company and the Selling Shareholders shall not relieve the Company and the Selling Shareholders of any obligation which it may have to the Indemnified Parties under this Section 21, except to the extent they are significantly prejudiced thereby.

21.5 Right of Contribution in Favour of Others

With respect to this Section 21, the Applicable Indemnifier(s) acknowledge and agree that the Underwriters are contracting on their own behalf and as agents for their affiliates, directors, officers, employees and agents, and each person, if any, controlling any Underwriter or any of its subsidiaries and each shareholder of any Underwriter. The Underwriters' respective obligations to contribute pursuant to this Section 21 are several in proportion to the percentages of Securities set forth opposite their respective names in Section 24 hereof and not joint (or joint and several).

21.6 Remedy Not Exclusive

The remedies provided for in this Section 21 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any part at law or in equity.

22. **Severability**

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

23. **Expenses**

23.1 Fees and Expenses of Offering

(i) Subject to Section 23.2, whether or not the transactions contemplated by this Agreement shall be completed, each of the Company and the Selling Shareholders will be responsible for all of its own expenses related to the Offering (other than the Underwriting Fee and underwriters’ expenses), including all fees and disbursements of its own legal counsel.

(ii) To the extent applicable, all expenses and other amounts payable under the terms of this Agreement shall be paid without any set-off.

23.2 Fees and Expenses of Underwriters

(i) Notwithstanding Section 23.1, the Selling Shareholders shall (*pro rata* in accordance with the number of Purchased Shares or Additional Shares sold under the Offering) be responsible for all the Underwriters’ reasonable expenses and fees in connection with the Offering and the qualification of the offering of the Purchased Shares and Additional Shares, including: (i) all reasonable expenses of or incidental to the issue, sale or distribution of the Purchased Shares and Additional Shares; and (ii) the fees of the Underwriters’ legal counsel (to a maximum of C$100,000), all disbursements of such legal counsel and all applicable taxes on such fees and disbursements, and (iii) all reasonable costs incurred in connection with the preparation of the documents related to the Offering.

24. **Rights to Purchase**

24.1 Obligation of Underwriters to Purchase

Subject to the terms and conditions of this Agreement, the obligation of the Underwriters to purchase the Purchased Shares or the Additional Shares at the Closing Time or at the Option Closing Time, as the case may be, shall be several and not joint and shall be equal to the percentage of the Purchased Shares or the

Additional Shares, as the case may be, set out opposite the name of the respective Underwriters below:

Canaccord Genuity Corp.	55.0%
Beacon Securities Limited	20.0%
Stifel Nicolaus Canada Inc.	12.5%
Haywood Securities Inc.	5.0%
Roth Canada Inc.	5.0%
Ventum Financial Corp.	2.5%
TOTAL	**100.0%**

Subject to Section 24.3, if an Underwriter (a "**Refusing Underwriter**") shall fail to purchase its applicable percentage of the Purchased Shares or the Additional Shares, as the case may be (the "**Defaulted Securities**"), at the Closing Time or the Option Closing Time, as the case may be, the remaining Underwriters (the "**Continuing Underwriters**") will be entitled, at their option, to purchase, severally and not jointly (or jointly and severally), all but not less than all of the Defaulted Securities on a *pro rata* basis among the Continuing Underwriters in proportion to the percentage of Purchased Shares which such Continuing Underwriters have agreed to purchase pursuant to this Agreement or in any proportion agreed upon, in writing, by the Continuing Underwriters. If no such arrangement has been made and the number of Defaulted Securities to be purchased by the Refusing Underwriters does not exceed 10% of the total number of the Purchased Shares or the Additional Shares, as the case may be, the Continuing Underwriters will be obligated to purchase, severally and not jointly (or jointly and severally), the Defaulted Securities on the terms set out in this Agreement in such proportions, provided that the Continuing Underwriters shall have the right to postpone the Closing Time or the Option Closing Time, as applicable, for such period not exceeding five Business Days as they shall determine and notify the Company in order that the required changes, if any, to the Offering Documents or to any other documents or arrangements may be effected. If the number of Defaulted Securities to be purchased by the Refusing Underwriters exceeds 10% of the total number of the Purchased Shares or the Additional Shares, as the case may be, the Continuing Underwriters will not be obliged to purchase the Defaulted Securities and, if the Continuing Underwriters do not elect to purchase the Defaulted Securities, each such Continuing Underwriter shall have the right to either (i) terminate their obligations under this Agreement or (ii) proceed with the purchase of its percentage of Purchased Shares or Additional Shares as provided in Section 24.1 and, in the case of Section 24.1(ii), the Selling Shareholders shall sell such Purchased Shares or Additional Shares to the Underwriters in accordance with the terms of this Agreement. If the Continuing Underwriters terminate their obligations under this Agreement pursuant to Section 24.1(i), the obligations of the Company and the Selling Shareholders under this Agreement will also terminate without any liability on the part of the Company or the Selling Shareholders except in respect of any liability which may have arisen or may arise under Sections 20, 21 and 23. Nothing in this Section 24 shall relieve from liability to the Company or the Selling Shareholders any Underwriter which shall be so in default.

24.2 Purchases by Other Underwriters

If the amount of the Purchased Shares or the Additional Shares, as the case may be, that the Continuing Underwriters wish to purchase exceeds the amount of the Purchased Shares or the Additional Shares, as the case may be, that would otherwise have been purchased by an Underwriter that is in default, such Purchased Shares or Additional Shares, as the case may be, shall be divided *pro rata* among the Continuing Underwriters desiring to purchase such Purchased Shares or Additional Shares, as the case may be, in proportion to the percentage of Purchased Shares or Additional Shares, as the case may be, that such Underwriters have agreed to purchase as set out in Section 24.1.

24.3 Rights to Purchase of Other Underwriters

In the event that one or more but not all of the Underwriters shall exercise their right of termination under Section 19, the Continuing Underwriters shall have the right, but shall not be obligated, to purchase all of the percentage of the Purchased Shares or Additional Shares, as the case may be, that would otherwise have been purchased by such Underwriters which have so exercised their right of termination. If the amount of such Purchased Shares or Additional Shares, as the case may be, that the Continuing Underwriters wish, but are not obliged, to purchase exceeds the amount of such Purchased Shares or Additional Shares, as the case may be, which remain available for purchase, such Purchased Shares or Additional Shares, as the case may be, shall be divided *pro rata* among the Underwriters desiring to purchase such Purchased Shares or Additional Shares, as the case may be, in proportion to the percentage of Purchased Shares or Additional Shares, as the case may be, which such Underwriters have agreed to purchase as set out in Section 24.1.

24.4 Right of the Selling Shareholders to Terminate

Nothing in this Section 24 or in Section 19 shall oblige the Selling Shareholders to sell to the Underwriters less than all of the Purchased Shares or the Additional Shares set out in the applicable Over-Allotment Option Notice.

25. <u>Restrictions of Further Issuances and Sales</u>

During the period beginning on the date hereof and ending on the date that is 90 days after the Closing Date, the Company shall not, directly or indirectly, without the prior written consent of the Co-Lead Underwriters, on behalf of all of the Underwriters, acting reasonably, such consent not to be unreasonably withheld or delayed, sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including without limitation by making any short sale, engaging in any hedging, monetization or derivative transaction or entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares or other equity securities of the Company or securities convertible into, exchangeable for, or otherwise exercisable into

Common Shares or other equity securities of the Company, whether or not cash settled), in a public offering or by way of private placement or otherwise, any Common Shares or other equity securities of the Company or any securities convertible into, exchangeable for, or otherwise exercisable into Common Shares or other equity securities of the Company, or agree to do any of the foregoing or publicly announce any intention to do any of the foregoing, other than (i) the sale of the securities as contemplated by this Agreement, (ii) grants or exercises of employee 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 in respect of existing agreements, and (v) the issuance of securities in connection with asset or share acquisitions in the normal course of business.

26. Stabilization

In connection with the distribution of the Securities, the Underwriters and the Selling Firms, if any, may over-allot or 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, in compliance with Canadian Securities Laws and the rules and regulations of applicable stock exchanges. Those stabilizing transactions, if any, may be discontinued at any time.

27. Interest in TMX Group Limited

The Company hereby acknowledges that certain of the Underwriters or their affiliates may own or control an equity interest in the TMX Group Limited (the "**TMX Group**") and may have a nominee director serving on the TMX Group's board of directors. As such, such investment dealer may be considered to have an economic interest in the listing of the securities on any exchange owned or operated by TMX Group, including the TSX, the TSX Venture Exchange and the Alpha Exchange. No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service

28. Survival of Representations and Warranties

The representations, warranties, obligations and agreements of the Company and the Selling Shareholders contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Securities shall survive the purchase of the Securities**,** with such representations, warranties, obligations and agreements of the Company and the Selling Shareholders to survive and continue in full force and effect for a period ending on the latest date under each of: (a) applicable Canadian laws that a holder of the Securities may be entitled to commence an action or exercise a right of rescission with respect to a misrepresentation contained in the Preliminary Prospectus, Final Prospectus or Prospectus Amendment, and (b) applicable U.S. laws that a holder of the Securities may be entitled to commence an action with respect to an untrue statement of a material fact contained in the U.S. Offering Documents or Offering Memorandum Amendment or an omission to state in the U.S. Offering Documents or Offering Memorandum Amendment a material fact that is necessary to make a statement contained in the U.S. Offering Documents or Offering Memorandum Amendment, in light of the circumstances in which it was made, not misleading; (other than in respect of the indemnification obligations of the Company and the Selling Shareholders set forth in Section 20 or in respect of any Claim that may be pending at that time with respect to any representation, warranty, obligation or agreement of the Company or the Selling Shareholders contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Securities, which in each case shall survive indefinitely) and, in each case, shall continue in full force and effect unaffected by any subsequent disposition of the Securities by the Underwriters or the termination of the Underwriters' obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the preparation of the Offering Documents or the distribution of the Securities.

29. Time, Assignment

29.1 Time is of the essence in the performance of the parties' respective obligations under this Agreement.

29.2 The terms and provisions of this Agreement will be binding upon and inure to the benefit of the Company, the Selling Shareholders and the Underwriters and their respective successors and assigns; provided that, except as otherwise provided in this Agreement, this Agreement will not be assignable by any party without the written consent of the others and any purported assignment without such consent will be invalid and of no force and effort.

30. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

31. No Fiduciary Duty

The Company hereby acknowledges that (i) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company or the Selling Shareholders, on the one hand, and the Underwriters, on the other hand; (ii) such Underwriters are acting as principal and not as an agent or fiduciary of the Company or the Selling Shareholders; and (iii) the Company's and the Selling Shareholders' 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, each of the Company and the Selling Shareholders agree 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 or the Selling Shareholders on related or other matters). Each of the Company and the Selling Shareholders agree 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 or the Selling Shareholders in connection with such transaction or the process leading thereto.

32. Notice

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

If to the Company, addressed and sent to:

Kits Eyecare Ltd.
510 Seymour Street, Suite 1020
Vancouver, British Columbia
V6B 3J5

Attention: Roger Hardy, Chief Executive Officer
Email: [Redacted – Personal Information]

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

McCarthy Tétrault LLP
2400 – Thurlow Street
Vancouver, British Columbia
V6E 0C5

Attention: Pavan Jawanda and Farhiyah Shariff
Email: [Redacted – Personal Information]

If to an Underwriter, addressed and sent in accordance with the details noted below, and in each case with a copy (which shall not constitute notice) sent to:

Blake, Cassels & Graydon LLP
Suite 3500, 1133 Melville Street
Vancouver, British Columbia
V7X 1L3

Attention: Bob Wooder and Trisha Robertson
Email: [Redacted – Personal Information]

If to Canaccord, addressed and sent to:

Canaccord Genuity Corp.
2400 –1133 Melville St.
Vancouver, British Columbia
V6E 4E5

Attention: Jamie Brown
Email: [Redacted – Personal Information]

If to Beacon Securities Limited, addressed and sent to:

Beacon Securities Limited
4050 –66 Wellington St. West
Toronto, Ontario
M5K 1H1

Attention: Justin Gilman
Email: [Redacted – Personal Information]

If to Stifel Nicolaus Canada Inc., addressed and sent to:

Stifel Nicolaus Canada Inc.
1605 –1250 Rene Levesque Blvd. West
Montreal, Québec
H3B 4W8

Attention: Mathieu L'Allier
Email: [Redacted – Personal Information]

If to Haywood Securities Inc., addressed and sent to:

Haywood Securities Inc.
2910 –181 Bay St.
Toronto, Ontario
M5J 2T3

Attention: Sean MacGillis
Email: [Redacted – Personal Information]

If to Roth Canada Inc., addressed and sent to:

Roth Canada Inc.
1921 –130 King St. West
Toronto, Ontario
M5X 2A2

Attention: Brady Fletcher
Email: [Redacted – Personal Information]

If to Ventum Financial Corp., addressed and sent to:

Ventum Financial Corp.
2500 –181 Bay St.
Toronto, Ontario
M5J 2T3

Attention: John Rak
Email: [Redacted – Personal Information]

If to the 0999849 Selling Shareholder, addressed and sent to:

1020 - 510 Seymour St.
Vancouver, British Columbia
V6B 3J5
Attention: Roger Hardy
Email: [Redacted – Personal Information]

If to the Hardy Foundation Selling Shareholder, addressed and sent to:

1020 - 510 Seymour St.
Vancouver, British Columbia
V6B 3J5

Attention: Roger Hardy
Email: [Redacted – Personal Information]

If to the Hardy Selling Shareholder, addressed and sent to:

1020 - 510 Seymour St.
Vancouver, British Columbia
V6B 3J5

Attention: Roger Hardy
Email: [Redacted – Personal Information]

If to the Bene Selling Shareholder, addressed and sent to:

1020 - 510 Seymour St.
Vancouver, British Columbia
V6B 3J5

Attention: Roger Hardy
Email: [Redacted – Personal Information]

If to the LD Selling Shareholder, addressed and sent to:

301-1650 Elgin Mills Road East
Richmond Hill, Ontario
L4S 0B2

Attention: Arshil Abdulla
Email: [Redacted – Personal Information]

If to the Thompson Selling Shareholder, addressed and sent to:

1020 - 510 Seymour St.
Vancouver, British Columbia
V6B 3J5

Attention: Joe Thomspon
Email: [Redacted – Personal Information]

32.2 or to such other address as any of the parties may designate by giving notice to the others in accordance with this Section 32.

32.3 Each notice shall be personally delivered to the addressee or sent e-mail to the addressee and:

(i) a notice that is personally delivered shall, 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 that is sent by e-mail shall be deemed to be given and received on the first Business Day following the day on which it is sent.

33. Authority of Co-Lead Underwriters

The Co-Lead Underwriters is hereby authorized by each of the other Underwriters to act on their behalf, and the Company and the Selling Shareholders shall be entitled to and shall act on any notice given in accordance with Section 32 by the Co-Lead Underwriters or any agreement entered into by or on behalf of the Underwriters by the Co-Lead Underwriters, which represent and warrant that it has irrevocable authority to bind the Underwriters, except in respect of: (i) a settlement of an indemnity claim pursuant to Section 20, which settlement shall be made by the Indemnified Party; (ii) a notice of termination pursuant to Section 19, which notice may be given by any of the Underwriters exercising such right; or (iii) any waiver pursuant to Section 19.4, which waiver may be given by any of the Underwriters exercising such waiver. The Co-Lead Underwriters shall, where practicable, consult with the other Underwriters concerning any matter in respect of which they act as representative of the Underwriters.

34. Counterparts

This Agreement may be executed by the parties to this Agreement in counterpart and may be executed and delivered by electronic transmission and all such counterparts and electronic transmissions shall together constitute one and the same agreement.

35. Entire Agreement

The terms and conditions of this Agreement supersede any previous verbal or written agreement between the Underwriters (or any of them) and any one or more of the Company and the Selling Shareholders with respect to the subject matter hereof.

[The remainder of this page is intentionally left blank.]

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this letter where indicated below and returning the same to the Co-Lead Underwriters upon which this letter as so accepted shall constitute an Agreement among us.

Yours very truly,

KITS EYECARE LTD.

Per: *"Roger Hardy"* (Signed)
Name: Roger Hardy
Title: CEO

0999849 B.C. LTD.

Per: *“Roger Hardy”* (Signed)
Name: Roger Hardy
Title: CEO

HARDY FAMILY FOUNDATION

Per: *“Roger Hardy”* (Signed)
Name: Roger Hardy
Title: CEO

“Roger Hardy” (Signed)
ROGER HARDY

BENE CERTO HOLDINGS LTD.

Per: *“Roger Hardy”* (Signed)
Name: Roger Hardy
Title: CEO

LD GROUP HOLDINGS LTD.

Per: *“Arshil Abdulla”* (Signed)
Name: Arshil Abdulla
Title: CTO

"Joe Thompson" (Signed)

JOE THOMPSON

CANACCORD GENUITY CORP.

Per: *“Jamie Brown”* (Signed)
Name: Jamie Brown
Title: Managing Director, Head of Capital Markets - Western Canada

BEACON SECURITIES LIMITED

Per: *“Justin Gilman”* (Signed)
Name: Justin Gilman
Title: Managing Director, Investment Banking

STIFEL NICOLAUS CANADA INC.

Per: *“Mathieu L’Allier”* (Signed)
Name: Mathieu L'Allier
Title: Vice Chairman, Head of Investment Banking, Eastern Canada

HAYWOOD SECURITIES INC.

Per: *“Sean MacGillis”* (Signed)
Name: Sean MacGillis
Title: Managing Director Investment Banking

ROTH CANADA INC.

Per: *"Brady Fletcher"* (Signed)
Name: Brady Fletcher
Title: President

VENTUM FINANCIAL CORP.

Per: *"John Rak"* (Signed)
Name: John Rak
Title: Managing Director, Investment Banking

SCHEDULE A

UNITED STATES OFFERS AND SALES

As used in this Schedule A, the following terms have the following meanings:

"**affiliate**" has the meaning assigned to such term under Rule 501(b) under the 1933 Act;

"**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of 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, 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 Securities, 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 Securities;

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

"**Foreign Issuer**" means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

"**General Solicitation**" and "**General Advertising**" mean "**general solicitation**" and "**general advertising**", respectively, as used in Rule 502(c) under the 1933 Act, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio or television or the Internet, and any seminar or meeting whose attendees have been invited by any general solicitation or general advertising; and

"**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S.

All other capitalized terms used but not otherwise defined in this Schedule A shall have the meanings assigned to them in the Agreement to which this Schedule A is attached.

1. Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees to and with the Underwriters and the Selling Shareholders that:

1.1 The Company is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to the Securities.

1.2 Neither the Company nor any of its affiliates, or any person acting on its or their behalf, have engaged or will engage in any Directed Selling Efforts in the United States or has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the 1933 Act, or have taken or will take any action in violation of Regulation M under the 1934 Act with respect to the Securities, provided, however, that no representation, warranty, covenant or agreement is made with respect to the Underwriters, the U.S. Affiliates or any person acting on their behalf or any Selling Firm.

1.3 The Securities satisfy the requirements set forth in Rule 144A(d)(3) under the 1933 Act.

1.4 The Company is not, and upon the issuance and sale of the Securities as herein contemplated and the application of the net proceeds therefrom as described in the Offering Documents will not be, an "investment company" under the 1940 Act.

1.5 The Company has not, in the past six months, directly or indirectly, solicited any offer to buy, sold or offered to sell or will, in the six months after completion of the Offering, solicit any offer to buy, sell or offer to sell any of its securities which are or would be integrated with the sale of the Securities in a manner that would require the Securities to be registered under the 1933 Act.

1.6 At any time when the exemption from the filing requirements of the 1934 Act pursuant to Rule 12g3-2(b) thereunder is not effective, the Company is not subject to Section 13 or 15(d) of the 1934 Act (which require the filing of reports and other information with the SEC) and the Securities are "restricted securities" within the meaning of Rule 144 under the 1933 Act, the Company agrees to furnish holders and prospective purchasers of the Securities the information required by Rule 144A(d)(4) under the 1933 Act.

2. Representations, Warranties and Covenants of the Selling Shareholders

2.1 Each Selling Shareholder represents, warrants and covenants to the Company, the Underwriters and the U.S. Affiliates that neither the Selling Shareholder, nor any of its affiliates, or any person acting on its or their behalf, has engaged or will engage in any Directed Selling Efforts in the United States or has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the 1933 Act, or has taken or will take any action in violation of Regulation M under the 1934 Act with respect to the Securities, provided, however, that no representation, warranty, covenant or agreement is made with respect to the Underwriters, the U.S. Affiliates or any person acting on their behalf or any Selling Firm.

3. Representations, Warranties and Covenants of the Underwriters

3.1 Each Underwriter jointly (and not solidarily or jointly and severally) and its U.S. Affiliate, represents, warrants, covenants and agrees to and with the Company and the Selling Shareholders that:

(i) It acknowledges that the Securities have not been and will not be registered under the 1933 Act or any state securities laws and may not be offered or sold within the United States except pursuant to the exemption from the registration requirements of the 1933 Act provided by Rule 144A or outside the United States in accordance with Regulation S. It has not offered or sold, and will not offer or sell, any of the Securities constituting part of its allotment except (i) in the United States to Qualified Institutional Buyers in transactions exempt from the registration requirements of the 1933 Act pursuant to Rule 144A; or (ii) outside the United States in accordance with Regulation S, as provided in clauses 3(ii) through 3(xi) below. Neither it nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any Directed Selling Efforts in the United States with respect to the Securities.

(ii) It shall require each of its U.S. Affiliates and the Selling Firms to agree for the benefit of the Company and the Selling Shareholders to comply with and shall ensure that each of its U.S. Affiliates and the Selling Firms complies with the same provisions of this Schedule as apply to such Underwriter.

(iii) All offers to sell and solicitations of offers to buy and any sales of any Securities in the United States shall be made through its U.S. Affiliate in compliance with all applicable United States state and federal broker-dealer requirements or pursuant to the exemption provided under Rule 15a-6 of the 1934 Act. Such U.S. Affiliate is a duly registered broker-dealer with the SEC under Section 15(b) of the 1934 Act and applicable state securities laws and a member in good standing of FINRA on the date hereof and at the date of any offer or sale of the Securities in the United States.

(iv) It will not, either directly or through its U.S. Affiliate, solicit offers for, offer to sell, the Securities in the United States by means of any form of General Solicitation or General Advertising or engage in any conduct involving a public offering within the meaning of Section 4(a)(2) of the 1933 Act in connection with its offers or sales of the Securities in the United States.

(v) It will inform, and cause its U.S. Affiliate to inform, all purchasers of the Securities in the United States, that the Securities have not been and will not be registered under the 1933 Act or applicable state securities laws and are being sold to them without registration under the 1933 Act in reliance on Rule 144A and under applicable state securities laws in reliance on similar exemptions thereunder.

(vi) Immediately prior to soliciting offerees purchasing Securities pursuant to Rule 144A, it had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer and, at the time of completion of each sale of Securities pursuant to Rule 144A, will have reasonable grounds to believe and will believe that such purchaser is a Qualified Institutional Buyer.

(vii) On the Closing Date and at any Option Closing Date, as applicable, each Underwriter (together with its U.S. Affiliate) that participated in the offer or sale of Securities in the United States will provide the Company and the Selling Shareholders with a certificate, substantially in the form of Appendix I to this Schedule A, relating to the manner of the offer and sale of the Securities in the United States, or will be deemed to have represented and warranted for the benefit of the Company and the Selling Shareholders that neither it nor its U.S. Affiliate offered or sold Securities in the United States.

(viii) Neither it, its affiliates or any person acting on its or their behalf (other than the Company, the Selling Shareholders, their affiliates and any person acting on their behalf, as to which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the 1934 Act in connection with the offer and sale of the Securities.

(ix) Each offeree of Securities in the United States has been or shall be provided with a copy of the Preliminary 144A Offering Memorandum, the Final 144A Offering Memorandum and any Offering Memorandum Amendment, as applicable, and no other written material has been or shall be used in connection with the offer or sale of the Securities in the United States, other than the marketing materials and any Marketing Materials Amendment.

(x) It will provide the Company, at least one Business Day prior to the Closing Date and any Option Closing Date, with a list of all purchasers of the Securities in the United States.

(xi) Prior to any sale of Securities in the United States to Qualified Institutional Buyers, each such purchaser will be required to execute and deliver a U.S. QIB Purchaser's Letter.

APPENDIX I TO SCHEDULE A
UNDERWRITERS' CERTIFICATE

In connection with the offer and sale of Securities of Kits Eyeware Ltd. (the "**Company**") in the United States pursuant to the Underwriting Agreement dated as of September 9, 2024 among the Company, the Selling Shareholders and the Underwriters (the "**Underwriting Agreement**"), **[name of Underwriter]** (the "**Underwriter**") and **[name of U.S. affiliate of Underwriter]**, in its capacity as placement agent in the United States for the Underwriter (the "**U.S. Affiliate**"), each hereby certifies that:

(a) all offers to sell and solicitations of offers to buy and any sales of any Securities in the United States were made through the U.S. Affiliate in compliance with all applicable United States state and federal broker-dealer requirements or pursuant to the exemption provided under Rule 15a-6 of the 1934 Act. The U.S. Affiliate is a duly registered broker-dealer with the SEC under Section 15(b) of the 1934 Act and applicable state securities laws and a member in good standing of FINRA on the date hereof and at the date of any offer or sale of the Securities in the United States;

(b) all offers and sales of the Securities in the United States have been conducted by us in accordance with the terms of the Underwriting Agreement;

(c) each offeree of Securities in the United States has been provided with a copy of the Preliminary 144A Offering Memorandum, the Final 144A Offering Memorandum and any Offering Memorandum Amendment, as applicable, and no other written material has been used in connection with the offer or sale of the Securities in the United States, other than the marketing materials and any Marketing Materials Amendment;

(d) immediately prior to soliciting offerees purchasing Securities pursuant to Rule 144A it had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer and, on the date hereof, it continues to believe and has reasonable grounds to believe that each purchaser is a Qualified Institutional Buyer;

(e) no form of General Solicitation or General Advertising or Directed Selling Efforts were used by us in connection with the offer or sale of the Securities in the United States; and

(f) neither we nor our affiliates or any person acting on our or their behalf (other than the Company, the Selling Shareholders, their affiliates and any person acting on their behalf, as to which no certification is made) have taken or will take, directly or indirectly, any action in relation of Regulation M under the 1934 Act in connection with the offer and sale of the Securities in the United States.

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

DATED this _____ day of _______________, 2024.

[NAME OF UNDERWRITER]	**[INSERT NAME OF U.S. AFFILIATE]**
By: ______________________________	By: ______________________________
Name:	Name:
Title:	Title:

SCHEDULE B

FORM OF LOCK-UP AGREEMENT

________________________, 2024

Canaccord Genuity Corp.
Beacon Securities Limited
Stifel Nicolaus Canada Inc.
Haywood Securities Inc.
Roth Canada Inc.
Ventum Financial Corp.

(the "**Underwriters**")

Re: Proposed Bought Deal Secondary Offering of the Common Shares of Kits Eyecare Ltd. (the "Company")

Ladies and Gentlemen:

The undersigned is the registered and/or beneficial owner of certain securities of the Company or securities convertible into or exchangeable or exercisable therefor. 0999849 B.C. Ltd., Hardy Family Foundation, Roger Hardy, Bene Certo Holdings Ltd., LD Group Holdings Ltd., Joe Thompson (collectively, the "**Selling Shareholders**") propose to sell to the Underwriters Common Shares of the Company (the "**Offering**") pursuant to an underwriting agreement dated September 9, 2024 among the Underwriters, the Company and Selling Shareholders (the "**Underwriting Agreement**").

For purposes of this agreement, "**Subject Securities**" shall mean (i) Common Shares of the Company; and (ii) any security of the Company, including any preferred share, right, warrant, option or other instrument, including instruments convertible into or exercisable or exchangeable for Common Shares or other equity securities of the Company.

The undersigned recognizes that the Offering will be of benefit to the undersigned and the Company. The undersigned acknowledges that the Underwriters are and will be relying on the representations and agreements of the undersigned contained herein in carrying out the Offering and in entering into the Underwriting Agreement.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that he, she or it will not, whether for his, her or its own account or for the account of another, and will cause any affiliate, spouse, immediate family member or immediate family member of the spouse or the undersigned living in the undersigned's household, or any trust of which any of the foregoing individuals are beneficiaries, to not in any manner, without the prior written consent of Canaccord Genuity Corp. and Beacon Securities Limited (together, the "**Co-Lead Underwriters**"), on behalf of the Underwriters and acting reasonably, for a period commencing on the date hereof and continuing through the close of trading on the date 90 days after the date of the closing of the

Offering, directly or indirectly, (i) issue, offer or sell or grant any option, warrant, or other right to purchase or agree to issue or sell (including without limitation any short sale, put option or call option), or otherwise lend, transfer, assign or dispose of Subject Securities, whether currently owned or hereafter acquired, directly or indirectly, either of record or beneficially by the undersigned (or such affiliate, spouse or family member) or with respect to which the undersigned (or such affiliate, spouse or family member) has or hereafter acquires the power of disposition, or file or cause the Company to prepare or file any preliminary prospectus or prospectus under Canadian securities laws or any offering memorandum or other offering document with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of Subject Securities, whether any such swap or transaction is to be settled by delivery of Subject Securities, in cash or otherwise; (iii) publicly announce an intention to do any of the foregoing; or (iv) act jointly or in concert with any third party with respect to any of the matters set forth hereinabove.

The foregoing paragraph shall not apply to: (A) bona fide gifts to the immediate family of the undersigned, provided the recipient thereof agrees in writing with the Underwriters to be bound by the terms of this agreement; (B) dispositions to any trust for the direct or indirect benefit of the undersigned and/or the immediate family of the undersigned, provided that such trust agrees in writing with the Underwriters to be bound by the terms of this agreement; (C) in the case of the Selling Shareholders, transfers to "Permitted Holders" (as defined in, and in accordance with the provisions of, the articles of the Company); (D) the sale of any Subject Securities by the Selling Shareholders**,** as applicable, pursuant to the exercise of the over-allotment option in connection with the Offering; or (E) pursuant to a bona fide third party take-over bid made to all shareholders of the Company or similar acquisition transaction provided that in the event that the take-over bid or acquisition transaction is not completed, any Subject Securities held by the undersigned shall remain subject to the restrictions contained in this agreement. For purposes of this paragraph, "immediate family" shall mean the undersigned and the spouse, any lineal descendent, father, mother, brother or sister of the undersigned.

The obligations of the undersigned under this letter may be waived in writing in whole or part by the Co-Lead Underwriters in their sole discretion.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this lock-up letter agreement and that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof.

This agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned, provided however that the undersigned shall not assign this agreement without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters.

This agreement and the rights and obligations of the undersigned shall be governed and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. All matters relating hereto shall be submitted to the court of appropriate jurisdiction in the Province of British Columbia, Canada, for the purpose of this agreement and for all related proceedings.

This agreement will terminate on the earliest of (i) the close of trading on the date 90 days after the date of the closing of the Offering; or (ii) upon written notice provided by the Company to the Underwriters and the undersigned stating that the Offering will not proceed.

This agreement may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document.

____
Printed Name of Holder

By: ____________________________________
Signature

____
Printed Name of Person Signing
(and indicate capacity of person signing if
signing as authorized signatory, custodian, trustee, or on
behalf of an entity)

SCHEDULE C

SELLING SHAREHOLDERS

Name of Selling Shareholder	Number of Purchased Shares to be sold	Maximum Additional Shares to be sold (% of Over-Allotment Option)
0999849 B.C. Ltd.	700,000	82.222
Hardy Family Foundation	100,000	
Roger Hardy	100,000	
Bene Certo Holdings Ltd.	25,000	
LD Group Holdings Ltd.	150,000	13.333
Joe Thompson	50,000	4.444