

LOAN AGREEMENT

THIS AGREEMENT dated as of November 13, 2018 is between Burcon NutraScience Corporation (the "**Borrower**") and Large Scale Investments Limited (the "**Lender**").

WHEREAS the Lender wishes to make available to the Borrower a loan in the maximum principal amount of One Million Dollars (\$1,000,000) (the "**Loan**");

NOW THEREFORE this Agreement witnesses that in consideration of the mutual promises, covenants and agreements herein contained, the parties hereby covenant and agree as follows:

PART 1 DEFINITIONS

1.1 As used herein, the following terms shall have the meanings set forth below:

"**Borrower**" has the meaning given to that term in the first paragraph.

"**Business Day**" means each day other than a Saturday, a Sunday or a statutory holiday or any day on which a typhoon signal no. 8 or above or a black rainstorm signal is issued at any time between 9:00 am and 5:00 pm in British Columbia or Hong Kong.

"**Closing Date**" means December 5, 2018.

"**Event of Default**" means: (i) failure of the Borrower to make any principal or interest payment when due, which failure is not cured within a period of 3 Business Days after the due date; (ii) the breach of any covenant contained herein and, if such breach is curable, the expiration of a 14-day period following such breach during which the same is not cured; or (c) the commencement by the Borrower of a voluntary proceeding under applicable bankruptcy or insolvency legislation ("**Bankruptcy Laws**") or the commencement by any person or entity of involuntary proceedings under Bankruptcy Laws against the Borrower that are not dismissed within sixty (60) days after commencement thereof, or a receiver or administrator is appointed for or takes charge of all or substantially all of the property of the Borrower, or the Borrower commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Borrower, or the Borrower is adjudicated insolvent or bankrupt, or any order or relief or other order approving any such case or proceeding is entered, or the Borrower makes a general assignment for the benefit of creditors, or any corporate action is taken by the Borrower for the purpose of effecting any of the foregoing.

"**Indebtedness**" means, at the time of determination, the outstanding Principal Balance, all accrued and unpaid interest thereon, all accrued and unpaid interest on the Undrawn Amount, and all other amounts owed to the Lender by the Borrower hereunder.

"**Lender**" has the meaning given to that term in the first paragraph.

"**Loan**" means the loan provided by the Lender to the Borrower in the maximum principal amount of up to \$1,000,000 under this Agreement.

"**Maturity Date**" means the date that is one hundred and eighty (180) days following the Closing Date.

"**Principal Balance**" means the outstanding principal amount of the Loan, from time to time.

"**Undrawn Amount**" means the portion of the Loan which remains undrawn, from time to time.

PART 2 LOAN

2.1 The Lender agrees, on the terms and conditions of this Agreement, to make available to the Borrower the Loan. The Loan shall be made available as follows:

- (1) Subject to the terms and conditions hereof, up to a maximum principal amount of \$500,000 shall be made available by the Lender to the Borrower on the Closing Date; and
- (2) Subject to the terms and conditions hereof, the Borrower may request an advance of funds from time to time, following the Closing Date, provided that each advance shall not be less than \$50,000 and provided further that all amounts drawn under this Agreement (whether repaid or not) shall not in any event exceed \$1,000,000.

The maximum number of advances permitted under this Section 2.1 shall be two. All amounts advanced (whether repaid or not) will be non-revolving.

2.2 Each advance shall be made by the Lender upon the irrevocable written request of the Borrower (the "**Draw Request**"), which shall specify:

- (1) the date of the advance (the "**Funding Date**"), which shall be a Business Day;
- (2) the amount of the advance, which shall not be less than \$50,000; and
- (3) the bank account details for remittance of the proceeds,

provided that the Draw Request must be delivered to the Lender before 2 p.m. PST at least five Business Days prior to the intended Funding Date and provided further that, notwithstanding anything contained in this Agreement, the Lender shall have the right to postpone the intended Funding Date by not more than seven Business Days.

PART 3 REPAYMENT

3.1 All Indebtedness outstanding hereunder shall be repayable in full by the Borrower to the Lender on the Maturity Date.

3.2 Upon 5 days' prior written notice to the Lender specifying (i) the date of prepayment and (ii) the amount to be prepaid, the Borrower may prepay all or any portion of the outstanding amount of the Loan together with all interest accrued thereon to that date. Each partial prepayment or reduction shall be in an amount of \$50,000 or more. Any notice of prepayment given by the Borrower under any provision of this Agreement shall be irrevocable and the Borrower shall be bound to make a prepayment in accordance therewith and failure to make prepayment in accordance with such a notice shall be an Event of Default.

3.3 Notwithstanding anything contained in this Agreement, subject to regulatory approval, if the Lender (or its nominees) participates in any fund raising activities of the Borrower, the Lender and the Borrower agree that the Lender can elect to use all or any part of the Indebtedness to offset any payment obligations of the Lender (or its nominees) under such fund raising activities.

3.4 If the Maturity Date or any repayment/prepayment date by the Borrower shall fall on a date which is not a Business Day, the Maturity Date or such repayment/prepayment date shall be automatically extended to the next Business Day immediately thereafter.

PART 4 INTEREST

4.1 The Principal Balance from time to time shall bear interest at a rate of 18% per annum from the Closing Date until the Maturity Date.

4.2 The Undrawn Amount from time to time shall bear interest at a rate of 3% per annum from the Closing Date until the Maturity Date.

4.3 Interest on the Principal Balance and the Undrawn Amount shall accrue monthly, not in advance, and shall be payable on the Maturity Date.

4.4 All amounts owed by the Borrower to the Lender which are not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest (both before and after default and judgment), from the date on which such amount is due until such amount is paid in full at a rate per annum equal at all times to 22% per annum.

4.5 For purposes of the *Interest Act* (Canada), whenever any interest is calculated using a rate based on a year of 365 days or 366 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (a) the applicable rate based on a year of 365 days or 366 days, as the case may be, (b) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (c) divided by 365 or 366, as the case may be.

4.6 All calculations of interest shall be made by the Lender, and such calculations shall, in the absence of manifest mathematical error, be final, conclusive and binding on the Borrower.

**PART 5
COMMITTMENT FEES**

5.1 The Borrower will pay to the Lender, on the Closing Date, a one-time commitment fee of \$10,000 and the Lender shall be entitled to deduct such amount from the amount to be advanced under any Draw Request.

**PART 6
EVENTS OF DEFAULT**

6.1 In addition to the other rights and remedies contained herein, upon the occurrence and during the continuance of an Event of Default, the Lender may, by notice given in accordance herewith to the Borrower, declare the Principal Balance and all accrued and unpaid interest thereon and any other amounts payable under this Agreement to be forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein to the contrary notwithstanding.

6.2 The rights and remedies of the Lender are cumulative and are in addition to and not in substitution for any rights or remedies provided by law; any single partial exercise by the Lender of any right or remedy for a default or a breach of any term, covenant, condition or agreement contained herein, shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for the same default or breach.

6.3 The taking of a judgment or judgments or any other action or dealing whatsoever by the Lender will not operate as a merger of any of the obligations owing to the Lender or affect or prejudice the rights, remedies and powers, legal or equitable, which the Lender may have in connection with such obligations.

**PART 7
DEDUCTION OR WITHHOLDING REQUIREMENTS**

7.1 All payments to the Lender to be made under this Loan Agreement will be made net of any withholding or other relevant taxes chargeable on the Lender in Canada in respect this Loan Agreement (hereinafter, the "Taxes"). For greater certainty, the Borrower shall not be obligated to pay any additional amounts to the Lender as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges, provided that the Borrower shall (i) make all necessary deductions for the Taxes from the interest payable by the Borrower under this Agreement and pay the same to the relevant authorities on behalf of the Lender; (ii) draft, prepare and complete all requisite documents and papers in respect of the Taxes for the Lender's approval; (iii) after the Lender's approval and/or signing of those documents prepared by the Borrower, submit and/or file the same with the relevant parties or authorities; and (iv) assist the Lender in all matters in relation to the Taxes.

**PART 8
MISCELLANEOUS**

8.1 The indebtedness of the Borrower shall be evidenced by the records of the Lender which shall constitute *prima facie* evidence of such indebtedness.

8.2 All payments made by a party to the other party pursuant to this Agreement shall be made in Canadian dollars by transfer of immediately available funds into an account of the payee designated by the payee in writing to the payor at least two (2) Business Days before the payor makes such payment.

8.3 All notices and other communications given or made in connection herewith shall be in writing and sent by certified or registered mail, return receipt requested, or by overnight delivery service, with all charges prepaid, to the applicable party at the addresses set out below, or by facsimile transmission (including, without limitation, computer generated facsimile), promptly confirmed in writing sent by first class mail to the facsimile numbers and addresses set out below:

If to the Borrower: Burcon NutraScience Corporation
 1946 West Broadway
 Vancouver, British Columbia V6J 1Z2
 Canada

 Attention: Dorothy Law
 Telephone: 604-733-0896
 Facsimile: 604-733-8821
 Email: dlaw@burcon.ca

If to the Lender: Large Scale Investments Limited
 30/F., Bank of America Tower,
 12 Harcourt Road,
 Central, Hong Kong

 Attention: Rosanna Chau
 Telephone: (852) 2831-8118
 Facsimile: (852) 2973-0939
 Email: rchau@itc.com.hk

8.4 The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The word "dollar" or the symbol "\$" shall be deemed to mean the currency of Canada.

8.5 This Agreement shall be governed by and construed in accordance with the laws of British Columbia.

8.6 This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

8.7 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations under this Agreement or any interest in this Agreement without the consent of the other party, not to be unreasonably withheld.

8.8 Time shall be of the essence of this Agreement.

8.9 In the event that any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

8.10 The parties shall do, or cause to be done, all such further acts and things and shall execute, or cause to be executed, all such further deeds, documents and instruments as may be reasonably necessary for the purpose of giving full effect to the transaction contemplated by this Agreement.

8.11 This Agreement represents the entire agreement and understanding of the parties with respect to the transactions set forth herein and no representations or warranties have been made in connection with this Agreement other than those expressly set forth herein.

[Signatures follow]

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the date first written above.

BORROWER:

**BURCON NUTRASCIENCE
CORPORATION**

By: “Johann F. Tergesen”

Name: Johann F. Tergesen

Title: President & C.O.O.

LENDER:

**LARGE SCALE INVESTMENTS
LIMITED**

By: “Ng Chi Leung”

Name: Ng Chi Leung

Title: Director