

## UNDERWRITING AGREEMENT

December 10, 2020

Numinus Wellness Inc.  
801 - 33 Water Street  
Vancouver, BC V6B 1R4

**Attention: Mr. Payton Nyquvest  
Chief Executive Officer**

Dear Mesdames/Sirs:

Canaccord Genuity Corp. ("**Canaccord**") and Eight Capital ("**Eight**") as co-lead underwriters and joint bookrunners (together, the "**Underwriters**" and each individually, an "**Underwriter**") hereby severally, and not jointly, nor jointly and severally, in their respective percentages set out in Section 19 below, offer to purchase from Numinus Wellness Inc. (the "**Corporation**"), and the Corporation hereby agrees to issue and sell to the Underwriters, 22,059,000 units of the Corporation (the "**Units**"), on an underwritten basis, at the purchase price of \$0.68 per Unit (the "**Offering Price**"), for aggregate gross proceeds of \$15,000,120.

Each Unit shall consist of one Common Share (as defined herein) (each, an "**Offered Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each whole Warrant will entitle the holder thereof, on exercise, to purchase one Common Share (each, a "**Warrant Share**") at a price of \$0.90 per Common Share at any time until 5:00 p.m. (Vancouver time) on the date that is 24 months from the Closing Date (as defined herein). The Underwriters may arrange for substituted purchasers (the "**Substituted Purchasers**") for the Offered Securities (as defined herein) resident in the Selling Jurisdictions (as defined herein) outside the United States. Each Substituted Purchaser shall purchase the Offered Securities at the Offering Price and to the extent that Substituted Purchasers purchase Offered Securities, the obligations of the Underwriters to do so will be reduced by the number of Offered Securities purchased by the Substituted Purchasers from the Corporation.

The Corporation and the Underwriters agree that any offers, resales and purchases of Offered Securities (as defined below) in the United States or to, or for the account or benefit of, U.S. Persons (as defined herein) or persons in the United States will be made by the Underwriters through their U.S. Affiliates (as defined herein) on a private placement basis only to Qualified Institutional Buyers (as defined below) pursuant to Rule 144A (as defined herein), and in accordance with this Underwriting Agreement, the U.S. Private Placement Memorandum (as defined herein) and Schedule "A" hereto. Subject to applicable law, including applicable Securities Laws (as defined herein) and the terms of this Agreement, the Offered Securities may also be distributed outside of Canada and the United States, in each jurisdiction where they may be lawfully sold by the Underwriters without: (i) giving rise to any requirement under the laws of such jurisdiction to prepare and/or file a prospectus or document having similar effect; or (ii) creating any ongoing compliance or continuous disclosure obligations for the Corporation pursuant to the laws of such jurisdiction.

The Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase severally, and not jointly, nor jointly and severally, up to an additional 3,308,850 Units (the "**Additional Units**") at the Offering Price. Each Additional Unit shall consist of one Common Share (each, an "**Additional Offered Share**") and one-half of one Common Share purchase warrant (each whole such

warrant, an "**Additional Warrant**"). Each whole Additional Warrant will entitle the holder thereof, on exercise, to purchase one Common Share (each, an "**Additional Warrant Share**") at a price of \$0.90 per Common Share at any time until 5:00 p.m. (Vancouver time) on the date that is 24 months from the Closing Date. The Over-Allotment Option may be exercised by the Underwriters to acquire either (i) Additional Units at the Offering Price; (ii) Additional Offered Shares at a price of \$0.646 per Additional Offered Share; (iii) Additional Warrants at a price of \$0.0688 per Additional Warrant; or (iv) any combination of Additional Units, Additional Offered Shares and Additional Warrants (together, the "**Additional Securities**"), so long as the aggregate number of Additional Offered Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 3,308,850 Additional Offered Shares and 1,654,425 Additional Warrants, for additional gross proceeds of up to \$2,250,018 upon the terms and conditions set forth herein for the purpose of covering over-allotments made in connection with the Offering (as defined herein) and for market stabilization purposes. The Over-Allotment Option shall be exercisable, in whole or in part, and from time to time, by Canaccord on behalf of the Underwriters, by giving written notice to the Corporation not later than 30 days following the Closing Date. Any such election to purchase Additional Securities may be exercised only by written notice from Canaccord on behalf of the Underwriters, to the Corporation by 8:00 a.m. (Vancouver time) on or before the 30<sup>th</sup> day following the Closing Date, such notice to set forth: (i) whether the Over-Allotment Option will be exercised, in whole or in part, by purchasing Additional Units, Additional Offered Shares and/or Additional Warrants; (ii) the aggregate number of Additional Securities to be purchased; and (iii) the closing date for the purchase of the Additional Securities, provided that such closing date shall not be less than two Business Days and no more than five Business Days following the date of such notice (the "**Over-Allotment Closing Date**"). Pursuant to such notice, the Underwriters shall severally, and not jointly, nor jointly and severally, purchase in their respective percentages set out in Section 19 below, and the Corporation shall deliver and sell, the number of Additional Securities indicated in such notice, in accordance with the provisions of this Agreement.

The Units to be sold on an underwritten basis pursuant to this Agreement, the Offered Shares and the Warrants comprising the Units, the Additional Units, the Additional Offered Shares, the Additional Warrants, the Finance Fee Shares (as defined herein) and the Broker Warrants (as defined herein) are collectively referred to herein as the "**Offered Securities**". The Units to be sold on an underwritten basis pursuant to this Agreement and the Additional Units are collectively referred to herein as the "**Offered Units**". The Warrant Shares, the Additional Warrant Shares and the Broker Warrant Shares (as defined herein) are collectively referred to herein as the "**Underlying Securities**". The offering of the Offered Securities by the Corporation is hereinafter referred to as the "**Offering**". The Corporation shall issue the Finance Fee Shares and the Broker Warrants to the Underwriters, or as directed by the Underwriters, at the Time of Closing, in consideration for their services hereunder. The Underwriters shall be entitled to appoint a soliciting dealer group consisting of other dealers in accordance with applicable Securities Laws (as defined herein) for the purposes of arranging for purchases of the Offered Securities. The Underwriters shall ensure that any investment dealer who is a member of any soliciting dealer group formed by the Underwriters pursuant to the provisions of this Agreement or with whom any Underwriter has a contractual relationship with respect to the Offering, if any, agrees with such Underwriter to comply with the covenants and obligations given by the Underwriters herein.

The Underwriters may offer the Offered Units at a price less than the Offering Price as described in further detail in Section 19 below, in compliance with Canadian Securities Laws (as defined herein) and, specifically, the requirements of NI 44-101 (as defined herein) and the disclosure concerning the same contained in the Prospectus (as defined herein) and the U.S. Private Placement Memorandum (as defined herein).

The Underwriters and the Corporation acknowledge that Schedule "A" (including, for greater certainty, Annex 1 attached thereto) forms a part of this Agreement.

## **Section 1 Definitions and Interpretation.**

- (1) Where used in this Agreement or in any amendment hereto, the following terms shall have the following meanings, respectively:

"**Additional Offered Shares**" has the meaning ascribed thereto in the fourth paragraph of this Agreement;

"**Additional Securities**" means, as applicable, the Additional Units, the Additional Offered Shares, the Additional Warrants, or all of them or any of them, as the context requires;

"**Additional Units**" has the meaning ascribed thereto in the fourth paragraph of this Agreement;

"**Additional Warrant Shares**" has the meaning ascribed thereto in the fourth paragraph of this Agreement;

"**Additional Warrants**" has the meaning ascribed thereto in the fourth paragraph of this Agreement;

"**affiliate**" and "**person**" have the respective meanings given to them in the B.C. Act;

"**Agreement**" means this underwriting agreement, as it may be amended from time to time;

"**Analytical Testing Licence**" means the licence no. LIC-KJY6B6DFM0-2020-1 issued by Health Canada to Salvation Botanicals on August 20, 2020 pursuant to section 62 of the Cannabis Act in accordance with section 159 as supplemented, renewed and amended by Health Canada from time to time, granting Salvation Botanicals the authority to possess cannabis for the purpose of testing and to obtain cannabis by altering its chemical or physical properties by any means for the purpose of testing;

"**B.C. Act**" means the *Securities Act* (British Columbia);

"**Broker Warrant**" has the meaning ascribed thereto in Section 2(c);

"**Broker Warrant Certificate**" means the certificate representing the Broker Warrants;

"**Broker Warrant Shares**" has the meaning ascribed thereto in Section 2(c);

"**Business Assets**" means all assets (tangible and intangible) owned (either directly or indirectly), leased, licenced or loaned, relating to, being developed or used by the Corporation or its Subsidiaries (including all hardware components and Intellectual Property owned or used by the Corporation or its Subsidiaries) for the purposes of, or in connection with: (i) biomass sourcing; (ii) extraction, processing and manufacture of cannabis products; (iii) provision of analytical services of cannabis products which include conducting independent analytical services, full spectrum testing and consulting, and developing proprietary methods and protocols to ensure accuracy and reliability using customized state-of-the-art equipment at its lab and testing facility; and (iv) operation of the wellness centre where registered professional therapists and health

professionals use supportive therapies and technologies to focus on treating mental health and substance abuse;

"**Business Day**" means a day, other than a Saturday, a Sunday or statutory or civic holiday in the cities of Toronto, Ontario and Vancouver, British Columbia;

"**Canaccord**" has the meaning ascribed in the first paragraph of this Agreement;

"**Canaccord Finance Fee Shares**" has the meaning ascribed thereto in Section 2(a);

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions, including the rules and policies of the TSXV;

"**Cannabis Act**" means the *Cannabis Act* (Canada) and the regulations promulgated thereunder;

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

"**CDSA**" means the *Controlled Drugs and Substances Act* (Canada) and the regulations promulgated thereunder;

"**CDSA Licence**" means the licence no. 6-1197 issued by Health Canada to Salvation Botanicals Ltd. (*dba* Numinus Bioscience) on June 9, 2020 pursuant to the CDSA, as supplemented, renewed and amended by Health Canada from time to time, granting Numinus Bioscience the authority conduct the activities of possession; production; sale/provision; sending, transportation and delivery of Mescaline, N,N-Dimethyltryptamine (DMT), N-Methyl-3,4-Methylenedioxyamphetamine, Psilocin and Psilocybin, including their salts; and the production of Psilocybin Hydrochloride and Psilocin Hydrochloride.

"**CFPOA**" has the meaning ascribed thereto in Section 8(bbb);

"**Closing**" means the completion of the sale of the Offered Securities and the purchase by the Underwriters of the Offered Securities pursuant to this Agreement;

"**Closing Date**" means December 29, 2020 or such earlier or later date as may be agreed to in writing by the Corporation and the Underwriters, each acting reasonably;

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

"**Corporation**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Debt Instrument**" means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Corporation or its Subsidiaries are a party or to which their property or assets are otherwise bound;

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

**"Documents Incorporated by Reference"** means all financial statements, related management's discussion and analysis, management information circulars, joint information circulars, annual information forms, material change reports or other documents filed by the Corporation, whether before or after the date of this Agreement, that are required to be incorporated by reference into the Prospectus;

**"Due Diligence Session"** means one or more due diligence sessions to be held prior to Closing;

**"Due Diligence Session Responses"** means the written or oral responses of the Corporation, as given by any director or senior officer of the Corporation, at a Due Diligence Session;

**"Eight"** has the meaning ascribed in the first paragraph of this Agreement;

**"Eight Finance Fee Shares"** has the meaning ascribed thereto in Section 2(a);

**"Employee Plans"** shall have the meaning ascribed thereto in Section 8(kkk);

**"Environmental Laws"** shall have the meaning ascribed thereto in Section **Error! Reference source not found.**;

**"FCPA"** shall have the meaning ascribed thereto in Section 8(bbb);

**"Finance Fee"** has the meaning ascribed thereto in Section 2(a);

**"Finance Fee Shares"** has the meaning ascribed thereto in Section 2(a);

**"Final Prospectus"** means the (final) short form prospectus of the Corporation relating to the Offering, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and filed by the Corporation in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Final Receipt has been issued;

**"Final Receipt"** means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in each of the Qualifying Jurisdictions;

**"Financial Statements"** means the financial statements of the Corporation included in the Documents Incorporated by Reference, including the notes to such statements, and the related auditors' report on such statements, where applicable;

**"Governmental Authority"** means and includes any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

**"Governmental Licences"** shall have the meaning ascribed thereto in Section 8(hh);

**"IFRS"** means International Financial Reporting Standards;

"**including**" means including but not limited to;

"**Industrial Hemp Licence**" means the licence no. LIC-BNDC28SRHU-2019-2 issued by Health Canada to Salvation Botanicals on June 5, 2020 pursuant to the Cannabis Act, as supplemented, renewed and amended by Health Canada from time to time, granting Salvation Botanicals the authority to sell industrial hemp: seed, grain, flowering heads, leaves or branches; to export seed; to export grain; and to possess grain for the purposes of processing it;

"**Intellectual Property**" means, collectively, all intellectual property rights of whatsoever nature, kind or description, including all: (i) trademarks, service marks, trademark and service mark registrations, trademark and service mark applications, rights under registered user agreements, trade names and other trademark and service mark rights, including associated goodwill; (ii) copyrights and applications therefor, including all computer software and rights related thereto and any associated waivers of moral rights; (iii) all foreign and domestic patents and patent applications (including all provisional, divisional, substitution, continuation and continuation in-part applications, and all foreign counterparts thereof) and all foreign and domestic patents (including extensions, reissues, re-examinations, renewals, inventors certificates and foreign counterparts thereof); (iv) Trade Secrets and proprietary and confidential information; (v) industrial designs and registrations thereof and applications therefor; (vi) all foreign and domestic plant breeders' rights and registrations thereof and applications; (vii) renewals, modifications, developments and extensions of any of the items listed in clauses (i) through (vi) above; and (viii) patterns, plans, designs, research data, other proprietary know-how, processes, drawings, technology, inventions, formulae, specifications, performance data, quality control information, unpatented blue prints, flow sheets, equipment and parts lists, instructions, manuals, records and procedures, and all licences, agreements and other contracts and commitments relating to any of the foregoing;

"**Leased Premises**" means the premises which are material to the Corporation and/or any of the Subsidiaries and which the Corporation and/or any of the Subsidiaries occupied as tenant;

"**Licences**" means each of the Analytical Testing Licence, Industrial Hemp Licence and the CDSA Licence and "**Licence**" means any one of the foregoing;

"**Liens**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;

"**Listed Securities**" shall have the meaning ascribed thereto in Section 5(1)(d);

"**Marketing Documents**" means, collectively, all marketing materials (including any template version, revised template version or limited use version thereof) provided to a potential investor in connection with the distribution of Offered Securities;

"**marketing materials**" has the meaning ascribed in NI 41-101;

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

capitalization, financial condition or results of operations of the Corporation, whether or not arising in the ordinary course of business of such entity;

"**Material Agreements**" means, collectively (i) this Agreement; (ii) the Warrant Indenture; (iii) Warrant Indenture (September 2020); (iv) the Subscription Receipt Agreement dated March 3, 2020 among the Corporation, Salvation Botanicals and Computershare Trust Company of Canada; (v) the Arrangement Agreement dated October 2, 2019 between the Corporation and Salvation Botanicals; (vi) the Amended and Restated Arrangement Agreement dated March 9, 2020 between the Corporation and Salvation Botanicals; (vii) Memorandum of Understanding with the BC Centre on Substance Use dated April 29, 2020; (viii) the Collaboration Agreement between the Corporation and MAPS Public Benefit Corporation dated December 1, 2020; and (ix) the Clinical Trial Services Agreement between the Corporation and Syreon Corporation dated November 16, 2020;

"**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto in the B.C. Act;

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

"**Money Laundering Laws**" has the meaning ascribed in Section 8(ccc);

"**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*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

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

"**Numinus Health**" means Numinus Health Corp., a corporation formed under the laws of British Columbia;

"**Offered Securities**" has the meaning ascribed thereto in the fifth paragraph of this Agreement;

"**Offered Share**" has the meaning ascribed thereto in the second paragraph of this Agreement;

"**Offered Units**" has the meaning ascribed thereto in the fifth paragraph of this Agreement;

"**Offering**" has the meaning ascribed thereto in the fifth paragraph of this Agreement;

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

"**Offering Price**" has the meaning ascribed thereto in the first paragraph of this Agreement;

**"Over-Allotment Closing Date"** has the meaning ascribed thereto in the fourth paragraph of this Agreement;

**"Over-Allotment Option"** has the meaning ascribed thereto in the fourth paragraph of this Agreement;

**"Passport System"** means the system for review of prospectus filings set out in MI 11-102 and NP 11-202;

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

**"Preliminary Prospectus"** means the preliminary short form prospectus of the Corporation dated December 10, 2020, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and filed by the Corporation in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Preliminary Receipt has been issued;

**"Preliminary Receipt"** means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Preliminary Prospectus in each of the Qualifying Jurisdictions;

**"Principal Regulator"** means the British Columbia Securities Commission;

**"Prospectus"** means, collectively, the Preliminary Prospectus and the Final Prospectus (including any Supplementary Material thereto);

**"Purchasers"** means, collectively, each of the purchasers of Offered Securities arranged by the Underwriters, including the Substituted Purchasers, in connection with the Offering, including, if applicable, the Underwriters;

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

**"Qualifying Jurisdictions"** means, collectively, each of the provinces of Canada, except Quebec;

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

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

**"Salvation Bioscience"** means Salvation Bioscience Inc., a corporation formed under the laws of British Columbia;

**"Salvation Botanicals"** means Salvation Botanicals Ltd., a corporation formed under the laws of British Columbia;

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

**"Securities Commissions"** means the securities regulatory authority in each of the Qualifying Jurisdictions;

"**Securities Laws**" means collectively, Canadian Securities Laws, U.S. Securities Laws and all applicable securities laws, rules, regulations, policies and other instruments promulgated by the Securities Regulators in any of the other Selling Jurisdictions;

"**Securities Regulators**" means collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Selling Jurisdictions**" means, collectively, each of the Qualifying Jurisdictions and such states in the United States and any other jurisdictions outside of Canada and the United States as mutually agreed to by the Corporation and the Underwriters;

"**Software**" means any computer software programs, source code, object code, databases, data and documentation, including, without limitation, any computer software programs that incorporate and run pricing models, formula and algorithms;

"**Standard Term Sheet**" has the meaning ascribed in NI 41-101;

"**subsidiary**" means a subsidiary for purposes of the B.C. Act, as constituted at the date of this Agreement;

"**Subsidiaries**" means, together, Salvation Botanicals, Salvation Bioscience and Numinus Health and "**Subsidiary**" means any one of them;

"**Substituted Purchasers**" has the meaning ascribed thereto in the second paragraph of this Agreement.

"**Supplementary Material**" means, collectively, any amendment to the Preliminary Prospectus, the Final Prospectus or the U.S. Private Placement Memorandum, and any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under Securities Laws relating to the distribution of the Offered Securities;

"**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);

"**Time of Closing**" means 5:00 a.m. (Vancouver time) on the Closing Date or on the Over-Allotment Closing Date, as applicable, or any other time on the Closing Date or the Over-Allotment Closing Date, as applicable, as may be agreed to by the Corporation and the Underwriters;

"**Trade Secrets**" means any trade secrets, research records, processes, procedures, manufacturing formula, technical know-how, technology, blue prints, designs, plans, inventions (whether patentable and whether reduced to practice), invention disclosure and improvements thereto;

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

"**Underlying Securities**" has the meaning ascribed in the fifth paragraph of this Agreement;

"**Underwriters**" has the meaning ascribed in the first paragraph of this Agreement;

"**Underwriting Fee**" has the meaning ascribed thereto in Section 2(b);

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

"**Units**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**U.S. Affiliates**" means the United States registered broker-dealer affiliates of an Underwriter;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Person**" means a "U.S. person" as that term is defined in Rule 902(k) of Regulation S;

"**U.S. Private Placement Memorandum**" means each U.S. private placement memorandum, in a form satisfactory to the Underwriters and the Corporation, 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 the Final Prospectus, and any Supplementary Material thereto, to be delivered to U.S. Purchasers, if any, in the United States in accordance with Schedule "A" hereto;

"**U.S. Purchasers**" means Purchasers of Offered Units that (i) are in the United States or a U.S. Person, (b) are purchasing Offered Units for the account or benefit of a U.S. Person or any person in the United States, (iii) receives or received an offer of the Offered Units while in the United States, or (iv) are or were (or their authorized signatory are or were) in the United States at the time the Purchaser's buy order was made, and, in each case, are Qualified Institutional Buyers purchasing in accordance with Schedule "A" hereto;

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

"**U.S. Securities Laws**" means all applicable securities legislation in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, including the rules and policies of the SEC and any applicable state securities laws;

"**Warrant**" has the meaning ascribed in the second paragraph of this Agreement;

"**Warrant Agent**" means Computershare Trust Company of Canada, in its capacity as warrant agent under the Warrant Indenture;

"**Warrant Indenture**" means the warrant indenture, to be dated effective as of the Closing Date, and entered into between the Corporation and the Warrant Agent, respecting the terms and conditions of the Warrants and the Broker Warrants, in the form and on terms satisfactory to the Corporation and the Underwriters, acting reasonably;

"**Warrant Indenture (September 2020)**" means the warrant indenture entered into between the Corporation and Computershare Trust Company of Canada, as warrant agent, dated September 10, 2020;

"**Warrants (September 2020)**" means the 9,200,000 common share purchase warrants of the Corporation created by, authorized by, and issued pursuant to, the Warrant Indenture (September 2020) which are exercisable at a price of \$0.35 per Common Share at any time prior to September 10, 2022; and

"**Warrant Shares**" has the meaning ascribed thereto in the second paragraph of this Agreement.

- (2) Any reference in this Agreement to a section or subsection shall refer to a section or subsection of this Agreement.
- (3) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.
- (4) Any reference in this Agreement to \$ or to "dollars" shall refer to the lawful currency of Canada, unless otherwise specified.
- (5) In this Agreement a reference to "**knowledge**" of the Corporation means to the best knowledge of Payton Nyquvest, John Fung and Michael Tan, after reasonable inquiry.
- (6) The following is the schedule to this Agreement, which schedule is deemed to be a part hereof and is hereby incorporated by reference herein:

Schedule "A" – Terms and Conditions for United States Offers and Sales (including for greater certainty, Annex 1 attached thereto)

## **Section 2 Commission.**

In consideration for their services hereunder, the Corporation agrees to pay and issue to the Underwriters, or as directed by the Underwriters, at the Time of Closing:

- (a) a corporate finance fee (collectively, the "**Finance Fee**") of (i) \$150,000 payable to Canaccord, with 50% of such fee payable in cash and 50% payable through the issuance of Common Shares at a deemed price of \$0.68 per Common Share (the "**Canaccord Finance Fee Shares**"); and (ii) \$100,000 payable to Eight, with 50% of such fee payable in cash and 50% payable through the issuance of Common Shares at a deemed price of \$0.68 per Common Share (the "**Eight Finance Fee Shares**", and together with the Canaccord Finance Shares, the "**Finance Fee Shares**");
- (b) a cash fee equal to 6.0% of the aggregate gross proceeds (the "**Underwriting Fee**") received by the Corporation on the sale of the Offered Units, the Additional Offered Shares and the Additional Warrants pursuant to the Offering; and
- (c) a number of non-transferable warrants of the Corporation ("**Broker Warrants**") equal to 6% of the number of Offered Units and, if the Over-Allotment Option is exercised only for Additional Offered Shares or Additional Warrants, a number of Broker Warrants equal to

6% of the aggregate gross proceeds from the sale of such Additional Offered Shares or Additional Warrants, as applicable, divided by the Offering Price, provided that a maximum aggregate of 1,522,071 Broker Warrants will be issued to the Underwriters pursuant to the Offering. Each Broker Warrant will entitle the holder thereof to acquire, one Common Share (each, a "**Broker Warrant Share**") at a price of \$0.68 per Broker Warrant Share, subject to adjustment as provided for in the Broker Warrant Certificates, at any time from the Closing Date until 5:00 p.m. (Vancouver time) on the date that is 24 months from the Closing Date or Over-Allotment Option Closing Date, as the case may be.

The Corporation also agrees to pay the Underwriters' expenses as set out in Section 16.

### **Section 3 Attributes of the Offered Securities and the Underlying Securities.**

The Offered Securities to be sold by the Corporation hereunder and the Underlying Securities shall have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions set forth in the Offering Documents.

### **Section 4 Filing of Prospectus.**

- (1) The Corporation shall:
  - (a) not later than 3:00 p.m. (Vancouver time) on December 11, 2020, have filed the Preliminary Prospectus pursuant to the Passport System with the Securities Commissions;
  - (b) use commercially reasonable efforts to promptly resolve all comments made and deficiencies raised in respect of the Preliminary Prospectus by the Principal Regulator, and have filed the Final Prospectus and obtained a Final Receipt not later than 5:00 p.m. (Vancouver time) on December 21, 2020, and otherwise fulfilled all legal requirements to qualify the Offered Securities for distribution and sale to the public in Canada through the Underwriters or any other investment dealer or broker registered to transact such business in the applicable Qualifying Jurisdictions contracting with the Underwriters, and to qualify the grant of the Over-Allotment Option; and
  - (c) until the date on which the distribution of the Offered Securities is completed, promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Securities for sale to the public and the grant of the Over-Allotment Option to the Underwriters or, in the event that the Offered Securities or the Over-Allotment Option have, for any reason, ceased to so qualify, to again so qualify them.
- (2) Prior to the filing of the Offering Documents and thereafter, during the period of distribution of the Offered Securities, the Corporation shall have allowed the Underwriters to participate fully in the preparation of, and to approve the form and content of, such documents and shall have allowed the Underwriters to conduct all due diligence investigations (which shall include the attendance of management of the Corporation, the auditors and the Corporation's Canadian legal counsel at one or more due diligence sessions to be held) which they may reasonably require in order to fulfill their obligations as underwriters and in order to enable them to responsibly execute the certificate required to be executed by them at the end of the Prospectus.

- (3) Each of the Corporation and the Underwriters have approved the initial term sheet in respect of the Offering attached as Schedule "A" to the engagement agreement between the Corporation and Canaccord dated December 6, 2020, as amended by an amendment no.1 to the engagement agreement dated December 7, 2020 (together, the "**Bought Deal Letter**"), including any template version thereof, as a Marketing Document. The Corporation has filed such Marketing Document with the Securities Commissions on or before the day such Marketing Document was first provided to potential purchasers of the Offered Securities. During the distribution of the Offered Securities, the Corporation and Canaccord, on behalf of the Underwriters, shall approve in writing, prior to such time that additional Marketing Documents are provided to potential investors, any additional Marketing Documents reasonably requested to be provided by the Underwriters to any potential investor, such additional Marketing Documents to comply with Canadian Securities Laws. The Corporation shall file a template version of such additional Marketing Documents with the Securities Commissions as soon as reasonably practicable after such Marketing Documents are so approved in writing by the Corporation and Canaccord and in any event on or before the day such Marketing Documents are first provided to any potential investor, and such filing shall constitute the Underwriters' authority to use such Marketing Documents in connection with the Offering. Any comparables shall be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Securities Commissions and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Securities Commissions by the Corporation.
- (4) The Corporation and the Underwriters, on a several basis, covenant and agree:
- (a) not to provide any potential investor with any Marketing Documents unless a template version of such Marketing Documents has been filed by the Corporation with the Securities Commissions on or before the day such Marketing Documents are first provided to any potential investor;
  - (b) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Securities or the Corporation other than: (i) such Marketing Documents that have been approved and filed in accordance with Section 4(3); (ii) the Prospectus; and (iii) any Standard Term Sheets approved in writing by the Corporation and Canaccord, on behalf of the Underwriters; and
  - (c) that only Marketing Documents approved and filed in accordance with Section 4(3) any and Standard Term Sheets approved in writing by the Corporation and Canaccord have been and shall be provided to potential investors.

## **Section 5 Deliveries on Filing and Related Matters.**

- (1) The Corporation shall deliver to each of the Underwriters:
- (a) prior to the time of each filing thereof, a copy of the Preliminary Prospectus and the Final Prospectus each manually signed on behalf of the Corporation, by the persons and in the form signed and certified as required by Canadian Securities Laws;
  - (b) prior to the time of filing thereof, a copy of any Supplementary Material, or other document required to be filed with or delivered to, the Securities Commissions by the Corporation under Canadian Securities Laws in connection with the Offering, including any document

incorporated by reference in the Final Prospectus (other than documents already filed publicly with a Securities Commission);

- (c) concurrently with the filing of the Final Prospectus with the Securities Commissions, a "long-form" comfort letter of Davidson & Company LLP, dated the date of the Final Prospectus (with the requisite procedures to be completed by such auditor within two Business Days of the date of such letter), in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors and officers of the Corporation, with respect to certain financial and accounting information relating to the Corporation in the Final Prospectus, including all Documents Incorporated by Reference, which letter shall be in addition to the auditors' report incorporated by reference in the Final Prospectus; and
- (d) prior to the filing of the Final Prospectus with the Securities Commissions, a copy of the TSXV conditional approval letter indicating that the application for the listing and posting for trading on the TSXV of the Offered Shares, the Additional Offered Shares, the Finance Fee Shares, the Warrant Shares issuable on exercise of the Warrants, the Additional Warrant Shares issuable on exercise of the Additional Warrants and the Broker Warrant Shares issuable on exercise of the Broker Warrants (collectively, the "**Listed Securities**") has been approved, subject only to satisfaction by the Corporation of the customary conditions that may be satisfied post-closing as specified by the TSXV.

Unless otherwise advised in writing, such deliveries shall also constitute the Corporation's consent to the Underwriters' use of the Offering Documents in connection with the distribution of the Offered Securities in compliance with this Agreement and Securities Laws.

- (2) The Corporation represents and warrants to the Underwriters with respect to the Offering Documents that as at their respective dates of delivery:
  - (a) all information and statements in such documents (including information and statements incorporated by reference to the extent they have not been superseded by the information and statements in the Offering Documents) (except information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus) are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offering, the Offered Securities and the Underlying Securities, as required by Canadian Securities Laws;
  - (b) no material fact or information in such documents (including information and statements incorporated by reference) (except information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and
  - (c) except with respect to information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus, the Prospectus and any Supplementary Material comply fully with the requirements of the Canadian Securities Laws.

- (3) The Corporation shall cause commercial copies of the Preliminary Prospectus, the Final Prospectus and the applicable U.S. Private Placement Memorandum, as the case may be, to be 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 as soon as possible after obtaining the Preliminary Receipt or the Final Receipt, as the case may be, with the Securities Commissions, but, in any event on or before noon (Vancouver time) on the second Business Day after obtaining the receipt therefor, as applicable. Such deliveries shall constitute the consent of the Corporation to the Underwriters' use of the Preliminary Prospectus and the Final Prospectus for the distribution of the Offered Securities in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Canadian Securities Laws and of the U.S. Private Placement Memorandum for the offer and sale of the Offered Securities in the United States to U.S. Purchasers in compliance with the provisions of this Agreement, including Schedule "A" hereto, and U.S. Securities Laws. The Corporation shall similarly cause to be delivered commercial copies of any Supplementary Material and hereby similarly consents to the Underwriters' use thereof. The Corporation shall cause to be provided to the Underwriters, without cost, such number of copies of any Documents Incorporated by Reference as the Underwriters may reasonably request for use in connection with the distribution of the Offered Securities.
- (4) Subject to compliance with Canadian Securities Laws, during the period commencing on the date hereof and until completion of the distribution of the Offered Securities, the Corporation will promptly provide to the Underwriters drafts of any press releases of the Corporation for review by the Underwriters prior to issuance and shall obtain the prior approval of the Underwriters as to the content and form of any press release relating to the Offering prior to issuance, such approval not to be unreasonably withheld or delayed. Any press release announcing or otherwise referring to the Offering shall be disseminated only outside the United States and shall include an appropriate notation on the face page as follows: "*Not for distribution to the U.S. news wire services, or dissemination in the United States.*" Any such press release shall also contain disclosure substantially in the following form in accordance with Rule 135e under the U.S. Securities Act:

"The securities referred to in this news release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any applicable securities laws of any state of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful."

## **Section 6      Material Change.**

- (1) During the period from the date of this Agreement to the completion of the distribution of the Offered Securities, the Corporation covenants and agrees with the Underwriters that it shall promptly notify the Underwriters in writing with full particulars of:
- (a) any material change (actual, anticipated, contemplated or threatened) in respect of the Corporation, considered on a consolidated basis;

- (b) any correspondence from any Governmental Authority regarding the business of the Corporation or any Governmental Licence;
- (c) any material fact in respect of the Corporation which has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such documents; and
- (d) 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 which change is, or may be of such a nature as: (i) to render any statement in such Offering Document misleading or untrue in any material respect or which would result in a misrepresentation in the Offering Document; or (ii) which would result in any of the Offering Documents not complying (to the extent that such compliance is required) with Securities Laws.

The Corporation 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 the Canadian Securities Laws as a result of such fact or change; provided that the Corporation shall not file any Supplementary Material or other document without first providing the Underwriters with a copy of such Supplementary Material or other document and consulting with the Underwriters with respect to the form and content thereof. The Corporation 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 or could be reasonable doubt whether written notice need be given under this Section 6.

- (2) If during the period of distribution of the Offered Securities there shall be any change in Canadian Securities Laws which, in the opinion of the Underwriters and their legal counsel, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Underwriters, the Corporation covenants and agrees with the Underwriters that it shall, to the satisfaction of the Underwriters, acting reasonably, promptly prepare and file such Supplementary Material with the appropriate Securities Commissions where such filing is required.
- (3) During the period from the date of this Agreement to the completion of the distribution of the Offered Securities, the Corporation will notify the Underwriters promptly:
  - (a) when any supplement to the Offering Documents or any Supplementary Material shall have been filed;
  - (b) of any request by any Securities Commission to amend or supplement the Prospectus or for additional information;
  - (c) of the suspension of the qualification of the Offered Securities or the Over-Allotment Option for offering, sale, grant or issuance in any jurisdiction, or of any order suspending or preventing the use of the Offering Documents (or any Supplementary Material) or of the institution or, to the knowledge of the Corporation, threatening of any proceedings for any such purpose; and
  - (d) of the issuance by any Securities Commission or any stock exchange of any order having the effect of ceasing or suspending the distribution of the Offered Securities or the trading in any securities of the Corporation, or of the institution or, to the knowledge of the

Corporation, threatening of any proceeding for any such purpose. The Corporation will use its commercially reasonable efforts to prevent the issuance of any such stop order or of any order preventing or suspending such use or such order ceasing or suspending the distribution of the Offered Securities or the trading in the shares of the Corporation and, if any such order is issued, to obtain the lifting thereof at the earliest possible time.

## **Section 7 Regulatory Approvals.**

The Corporation and its Subsidiaries will make all necessary filings, obtain all necessary consents and approvals (if any) and pay all filing fees required to be paid in connection with the transactions contemplated by this Agreement. The Corporation will cooperate with the Underwriters in connection with the qualification of the Offered Securities for offer and sale and the grant of the Over-Allotment Option under the Canadian Securities Laws and in maintaining such qualifications in effect for so long as required for the distribution of the Offered Securities.

## **Section 8 Representations and Warranties of the Corporation.**

The Corporation represents and warrants to each of the Underwriters, and acknowledges that each of them is relying upon such representations and warranties in connection with the purchase of the Offered Securities, that:

- (a) *Good Standing of the Corporation.* The Corporation: (i) is a corporation existing under the laws of the Province of British Columbia and is and will at the Time of Closing be current and up-to-date with all material filings required to be made and in good standing under the *Business Corporations Act* (British Columbia); (ii) has all requisite corporate power and capacity to own, lease and operate its properties and assets, including its Business Assets, and to conduct its business as now carried on by it as described in the Offering Documents; and (iii) has all requisite corporate power and authority to issue and sell the Offered Securities and to grant the Over-Allotment Option and to execute, deliver and perform its obligations under this Agreement;
- (b) *No other Subsidiaries.* Other than the Subsidiaries, the Corporation has no direct or indirect subsidiaries and the Corporation has no investment in any person. The Subsidiaries are the only subsidiaries of the Corporation. Except as disclosed in the Due Diligence Session Responses or in writing to the Underwriters, the Corporation is the direct or indirect registered and beneficial owner of all of the issued and outstanding shares of each of the Subsidiaries, in each case free and clear of all Liens or adverse interests whatsoever, and no person, firm, corporation or entity has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Corporation or the Subsidiaries of any of the shares or other securities of the Subsidiaries;
- (c) *Subsidiaries.* Each Subsidiary: (i) has been duly incorporated, amalgamated, continued or organized and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct the business of such Subsidiary as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; and (ii) where required, has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases property, or conducts

any business and is not precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;

- (d) *No Violation.* Neither the execution and delivery of this Agreement nor the completion of the transactions hereunder by the Corporation in accordance with the terms of this Agreement will result in: (i) the violation of any contract or other instrument to which the Corporation is a party or by which the Corporation or any of its Subsidiaries is bound; (ii) require any consent, approval, authorization, waiver, filing or notice under any contract to which the Corporation or any of its Subsidiaries is a party or by which it is bound; or (iii) the violation of any applicable law with which the Corporation or any of its Subsidiaries must comply;
- (e) *No Proceedings for Dissolution.* No act or proceeding has been taken by or against the Corporation or the Subsidiaries in connection with their liquidation, winding-up or bankruptcy, or, to their knowledge, are pending;
- (f) *Share Capital of the Corporation.* The authorized and issued share capital of the Corporation described under the heading "Description of Securities Being Distributed" in the Prospectus is true and correct. Neither the Corporation nor its Subsidiaries are party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any securities of the Corporation or its Subsidiaries;
- (g) *Form of Share Certificates.* The form of certificate respecting the Common Shares has been approved and adopted by the board of directors of the Corporation and does not conflict with any applicable laws and complies with the rules and regulations of the TSXV or with the constating documents of the Corporation;
- (h) *Form of Certificates.* At the Time of Closing, the form and terms of certificates representing the Warrants, the Additional Warrants and the Broker Warrants will have been duly approved and adopted by the Corporation and, in the case of (i) the certificates representing the Warrants and the Additional Warrants, will be in due and proper form under the Warrant Indenture and all other laws governing the Corporation; and (ii) the certificates representing the Broker Warrants will be in due and proper form under all laws governing the Corporation;
- (i) *Listed Securities.* The Common Shares and the Warrants (September 2020) are listed and posted for trading on the TSXV, and the Corporation has applied to list the Listed Securities on the TSXV and neither the Corporation nor its Subsidiaries has taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares or the Warrants (September 2020) on or from the TSXV;
- (j) *TSXV Compliance.* The Corporation is, and will at the Time of Closing be, in compliance in all material respects with the by-laws, rules, policies and regulations of the TSXV;
- (k) *No Cease Trade Orders.* No order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of securities by the Corporation has been issued by an exchange or securities regulatory authority, and no proceedings for this purpose have been instituted, or are, to the Corporation's knowledge, pending, contemplated or threatened;

- (l) *Reporting Issuer Status.* As at the date hereof, the Corporation is a "reporting issuer" in British Columbia, Alberta and Ontario within the meaning of Canadian Securities Laws in such jurisdictions and is not currently in default of any requirement of the Canadian Securities Laws of such jurisdictions and the Corporation is not included on a list of defaulting reporting issuers maintained by any of the Securities Commissions of such jurisdictions;
- (m) *Foreign Private Issuer Status.* The Corporation is, and will be at the Time of Closing, be a "foreign private issuer" as such term is defined under Rule 405 in the U.S. Securities Act;
- (n) *Offered Securities Valid.* The Offered Securities have been, or prior to the Time of Closing will be, duly and validly authorized for issuance and sale pursuant to this Agreement and when issued and delivered by the Corporation pursuant to this Agreement, against payment of the consideration set forth herein, will be validly issued as fully paid and non-assessable securities. The Offered Securities, upon issuance, will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;
- (o) *Transfer Agent.* Computershare Investor Services Inc. its offices in Vancouver, British Columbia has been duly appointed as the transfer agent and registrar for the Common Shares;
- (p) *Absence of Rights.* No person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other security convertible into or exchangeable for any such shares or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding shares of the Corporation except as set out in the Financial Statements and 565,000 stock options granted after May 31, 2020;
- (q) *Corporate Actions.* The Corporation has taken, or will have taken prior to the Time of Closing, all necessary corporate action: (i) to authorize the execution, delivery and performance of this Agreement and the Offering Documents (as required); (ii) to validly issue and sell the Common Shares comprising the Offered Securities as fully paid and non-assessable Common Shares, and (iii) to grant the Over-Allotment Option;
- (r) *Valid and Binding Documents.* This Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of, and is enforceable against, the Corporation in accordance with its terms, provided that enforcement thereof may be limited by laws affecting creditors' rights generally and that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction;
- (s) *No Consents, Approvals etc.* The execution and delivery of this Agreement and the fulfilment of the terms hereof and thereof by the Corporation and the issuance, sale and delivery of the Offered Securities to be issued and sold by the Corporation and the grant of the Over-Allotment Option do not and will not require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange or other third party, except: (i) those which have been obtained or those which may be

required and shall be obtained prior to the Time of Closing under the Securities Laws or the rules of the TSXV, including in compliance with the Securities Laws regarding the distribution of the Offered Securities and the grant of the Over-Allotment Option in the Qualifying Jurisdictions; and (ii) such customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws and any "blue sky laws" in the United States, as may be required in connection with the Offering;

- (t) *Continuous Disclosure.* The Corporation is in compliance in all material respects with its timely disclosure obligations under Canadian Securities Laws and, without limiting the generality of the foregoing, there has not occurred an adverse material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition or capital of the Corporation and its Subsidiaries (taken as a whole) which has not been publicly disclosed and the information and statements in the Documents Incorporated by Reference were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations and no material facts have been omitted therefrom which would make such information materially misleading, and the Corporation has not filed any confidential material change reports which remain confidential as at the date hereof. To the knowledge of the Corporation there are no circumstances presently existing under which liability is or could reasonably be expected to be incurred under Part 16.1 – Civil Liability for Secondary Market Disclosure of the B.C. Act and analogous provisions under Securities Laws in the other Qualifying Jurisdictions;
- (u) *Due Diligence Sessions.* The Due Diligence Session Responses will be true and correct in all material respects where they relate to matters of fact, and as at the time such responses are given, the Due Diligence Session Responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Corporation and its directors and officers will have responded in a thorough and complete fashion. Where the Due Diligence Session Responses reflect the opinion or view of the Corporation or its directors or officers (including Due Diligence Session Responses or portions of such Due Diligence Session Responses which are forward looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Session Responses and will be honestly held and believed to be reasonable at the time they are given; except that it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in forward-looking statements;
- (v) *Forward-Looking Information.* No forward-looking information within the meaning of Canadian Securities Laws included or incorporated by reference in the Prospectus has been made or reaffirmed by the Corporation without a reasonable basis in terms of the data and assumptions used, or has been disclosed other than in good faith;
- (w) *Website.* All statements, representations and assertions published on any website of the Corporation or the Subsidiaries are accurate in all material respects and not misleading;
- (x) *No Breach.* The use of any products or services of the Corporation and any of its Subsidiaries for their intended purpose does not, to the Corporation's knowledge, breach or otherwise violate: (i) any applicable laws, including the Cannabis Act and the CDSA; or (ii) any rules, codes, standards, policies, guidelines or regulations of Health Canada or

any other similar federal, provincial or municipal regulatory body or self-regulatory body in Canada;

- (y) *Financial Statements.* The Financial Statements:
- (i) present fairly, in all material respects, the financial position of the Corporation and the Subsidiaries on a consolidated basis and the statements of operations, retained earnings, cash flow from operations and changes in financial information of the Corporation on a consolidated basis for the periods specified in such Financial Statements;
  - (ii) have been prepared in conformity with applicable Canadian Securities Laws and IFRS, applied on a consistent basis throughout the periods involved;
  - (iii) do not contain any misrepresentations, with respect to the period covered by the Financial Statements; and
  - (iv) to the Corporation's knowledge, have been audited (in the case of the annual financial statements comprising the Financial Statements) by independent public accountants within the meaning of applicable Canadian Securities Laws and the rules of the Canadian Institute of Chartered Accountants;
- (z) *Off-Balance Sheet Transactions.* There are no material off-balance sheet transactions, arrangements, obligations or liabilities of the Corporation or its Subsidiaries whether direct, indirect, absolute, contingent or otherwise which are required to be disclosed and are not disclosed or reflected in the Financial Statements;
- (aa) *Accounting Policies.* There has been no material change in accounting policies or practices of the Corporation or its Subsidiaries since May 31, 2020;
- (bb) *Liabilities.* Neither the Corporation, nor any of the Subsidiaries has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements or referred to or disclosed herein, other than liabilities, obligations, or indebtedness or commitments: (i) incurred in the normal course of business; or (ii) which would not have a Material Adverse Effect;
- (cc) *Independent Auditors.* Davidson & Company LLP, Chartered Professional Accountants, are independent with respect to the Corporation within the meaning of Canadian Securities Laws and there has never been a "reportable event" (within the meaning of NI 51-102) with the auditors of the Corporation during the last three years;
- (dd) *Accounting Controls.* The Corporation and its Subsidiaries maintain, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The

Corporation maintains disclosure controls and procedures and internal control over financial reporting applicable to a venture issuer as those terms are defined in NI 52-109 and as at May 31, 2020, such controls are effective. Since the end of the Corporation's most recent audited fiscal year, the Corporation is not aware of any material weakness in the Corporation's internal control over financial reporting (whether or not remediated) or any changes in the Corporation's internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Corporation's internal control over financial reporting;

- (ee) *Audit Committee.* The Corporation's board of directors has validly appointed an audit committee whose composition satisfies the requirements of NI 52-110, and the audit committee of the Corporation operates in accordance with all material requirements of NI 52-110;
- (ff) *Purchases and Sales.* Neither the Corporation nor any of its Subsidiaries has approved, has entered into any agreement in respect of, or has any knowledge of:
  - (i) the purchase of any material Business Assets or any interest therein other than as disclosed in the Prospectus, or the sale, transfer or other disposition of any Business Assets or any interest therein currently owned, directly or indirectly, by the Corporation or its Subsidiaries whether by asset sale, transfer of shares, or otherwise;
  - (ii) the change of control (by sale or transfer of Common Shares or sale of all or substantially all of the assets of the Corporation or its Subsidiaries or otherwise) of the Corporation or its Subsidiaries; or
  - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10.0% or more of the outstanding Common Shares or shares of its Subsidiaries;
- (gg) *Title to Business Assets.* Subject to Section 8(qq) titled "Intellectual Property", the Corporation and its Subsidiaries have good, valid and marketable title to and have all necessary rights in respect of all of their Business Assets as owned, leased, licenced, loaned or used by them or over which they have rights, free and clear of Liens, other than as disclosed in the Offering Documents, and no other rights or assets are necessary for the conduct of the business of the Corporation or its Subsidiaries as currently conducted or as proposed to be conducted, the Corporation knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Corporation or its Subsidiaries to use, transfer, licence, sell, operate or otherwise exploit such Business Assets and neither the Corporation nor its Subsidiaries have any obligation to pay any commission, licence fee or similar payment to any person in respect thereof, other than as disclosed in the Offering Documents;
- (hh) *Regulatory Approvals and Authorizations.* Except as disclosed in the Offering Documents or to the Underwriters in writing: (i) each of the Corporation and the Subsidiaries has conducted, and is conducting, its business in compliance in all material respects with all applicable laws, rules, regulations, legislation, regulations or by-laws or other lawful requirements of any Governmental Authority of each jurisdiction in which it carries on business or holds assets, including the Cannabis Act, the CDSA, any applicable provincial

cannabis legislation, and any laws relating in whole or in part to activities relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substance or the licensing thereof ("**Environmental Laws**"); (ii) the Corporation and the Subsidiaries, as applicable, hold all material licences, registrations, permits, consents, clearances authorities and qualifications (collectively, and specifically including the Licences, "**Governmental Licences**"), issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to conduct the business now operated by it in all jurisdictions in which each carries on its business or holds assets which are necessary to carry on its business as now conducted and as presently proposed to be conducted; (iii) all such Government Licences are valid and existing, in full force and effect, and in good standing; (iv) neither the Corporation nor any of its Subsidiaries are in material default with respect to filings to be effected or conditions to be fulfilled in order to maintain such Governmental Licences in good standing; and (v) the Corporation and the Subsidiaries are in material compliance with the terms and conditions of all such Governmental Licences and none of such Government Licences contains any burdensome term, provision, condition or limitations which has or would reasonably be expected to affect or restrict in any material respect the operations or the business as now carried on or proposed to be carried on. Neither the Corporation nor any Subsidiary has received notice of non-compliance, or notice of any proceedings relating to the revocation, suspension, termination or modification, of any such Governmental Licences. Neither the Corporation nor any of its Subsidiaries: (i) has received any notice of, or been prosecuted for, an offence alleging non-compliance with any Environmental Laws; or (ii) has received any correspondence or notice from Health Canada or any other Governmental Authority alleging or asserting material noncompliance with any applicable laws; or (iii) settled any allegation of non-compliance, and there are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation or the Subsidiaries, nor has the Corporation or any of its Subsidiaries received notice of any of the same. The Offering (including the proposed use of proceeds of the Offering) will not have any adverse impact on the Governmental Licences or require the Corporation or the Subsidiaries to obtain any new Governmental Licences, including under the Cannabis Act or the CDSA;

- (ii) *Operation of the Business.* All agreements with third party contractors for the provision of products or services in connection with the business of the Corporation and its Subsidiaries have been entered into and are being performed by the Corporation and its Subsidiaries and, to the knowledge of the Corporation, by all other third parties thereto, in compliance with their terms and all standard, mandatory or necessary industry standards, and in compliance with all applicable laws.
- (jj) *Real Property.* Neither the Corporation nor any of the Subsidiaries owns or has any rights, title or interest whatsoever in any real property. Any real property or building held under lease by the Corporation or a Subsidiary, which is material, individually or in the aggregate, to the Corporation or a Subsidiary, is held by it under valid and subsisting leases enforceable against the respective lessors thereof with such exceptions as are not material, individually or in the aggregate, to the Corporation;

- (kk) *Leased Premises.* With respect to any Leased Premises, the Corporation or any Subsidiaries who occupy the Leased Premises have the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation or its Subsidiaries occupy the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases;
- (ll) *Environmental and Workplace Laws.* Each of the Corporation and its Subsidiaries are currently in compliance with any and all applicable federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to the environment or environmental issues, pollution or protection of human health and safety; and there are no pending or, to the knowledge of the Corporation, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws. The facilities and operations of the Corporation and its Subsidiaries are currently being conducted, and to the knowledge of the Corporation have been conducted, in all material respects in accordance with all applicable workers' compensation and health and safety and workplace laws, regulations and policies;
- (mm) *Cannabis Act Licences:* The Corporation has provided the Underwriters with copies of the Licences and amendments thereto and there is no other material documentation outside of the application package submitted to Health Canada in connection therewith. The Corporation and the Subsidiaries are in compliance with the terms and conditions of all such Licences and the Corporation and its Subsidiaries do not anticipate any variations or difficulties in renewing such Licences.
- (nn) *Health Canada Licences:* Except as disclosed to the Underwriters in writing and to the Corporation's knowledge, neither the Corporation nor any Subsidiary is required to obtain any Governmental Licences, other than the Licences, pursuant to the Cannabis Act, the CDSA or any other Governmental Licences from Health Canada or any similar federal, provincial or municipal regulatory body or self-regulatory body in connection with the current and proposed conduct of its business.
- (oo) *Customer or Health Canada Correspondence:* Neither the Corporation nor any Subsidiary has received any notice or communication from any customer, Health Canada or any other Governmental Authority alleging non-compliance with the applicable law, including but not limited to a defect or claim in respect of any products, including the product composition, packaging, labelling, distribution, promotion, advertising or sale of the product supplied or sold by the Corporation or a Subsidiary to a customer and, to the Corporation's knowledge, there are no circumstances that would give rise to any reports, recalls, public disclosure, announcements or customer communications that are required to be made by the Corporation or any Subsidiary in respect of any products or services supplied or sold by the Corporation or any Subsidiary.

- (pp) *Business Activities:* All product research and development activities, including quality assurance, quality control, testing, extraction, processing, packaging, labelling, storage, distribution, sale, promotion, advertising and research and analysis activities, conducted by the Corporation and any Subsidiary, as applicable, in connection with their business is being conducted in accordance with all applicable laws, and with best industry practices and in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to the Corporation's and its Subsidiaries' current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects.
- (qq) *Intellectual Property.*
- (i) the Underwriters have been provided in writing with a true and complete list of: (i) all material Intellectual Property owned or used by the Corporation and/or the Subsidiaries; and (ii) all registrations and applications for registration with respect to all Intellectual Property owned by the Corporation or any Subsidiary;
  - (ii) the list of registrations provided to the Underwriters in writing are: (a) subsisting in good standing; (b) to the Corporation's knowledge, enforceable against third parties; and (c) recorded, maintained and renewed in the name of the Corporation and/or the Subsidiaries in the appropriate registries or government offices to preserve the rights of the Corporation and/or the Subsidiaries, thereof and thereto. The list of applications for registration provided to the Underwriters in writing are: (a) subsisting in good standing; and (b) recorded, maintained and renewed in the name of the Corporation and/or the Subsidiaries in the appropriate registries or government offices to preserve the rights of the Corporation and/or the Subsidiaries, thereof and thereto;
  - (iii) (a) the Corporation or the Subsidiaries, as applicable, exclusively owns or has the right to use all Intellectual Property used by the Corporation's and its Subsidiaries' business, free and clear of any Liens and other encumbrances and, except for recently identified inventions for which patents may be pursued, and pending applications for patents which may be rejected by the relevant intellectual property office or have their claims amended during prosecution, has the sole and exclusive right to use such Intellectual Property and, where relevant, has diligently enforced and pursued protection for such rights including by patent, trademark, and any other applicable protection for such rights; and (b) to the Corporation's knowledge, and except for pending applications for patents which may be rejected by the relevant intellectual property office, or have their claims amended during prosecution, no event has occurred during the registration or filing of, or during any other proceeding relating to, such Intellectual Property that would make invalid or unenforceable, or negate the right to use any Intellectual Property of the Corporation or its Subsidiaries. To the knowledge of the Corporation, the conduct of the business of the Corporation and the use of its Intellectual Property does not infringe, and neither the Corporation nor any of the Subsidiaries has received any notice, complaint, threat or claim alleging infringement of, any patent, trade mark, trade name, copyright, industrial design, trade secret, or proprietary right of any other person, the infringement of which or the determination of any alleged infringement against the Corporation or any of the Subsidiaries which would

reasonably be expected to have a Material Adverse Effect on the Corporation, and the Corporation has no knowledge of any facts which form a reasonable basis for any such claim;

- (iv) each of the current and former contractors, consultants and employees of the Corporation including for greater certainty each of the officers of the Corporation, has entered into a proprietary rights agreement with the Corporation or its Subsidiaries: (i) assigning to the Corporation or the applicable Subsidiary, completely and exclusively, and in perpetuity, any Intellectual Property rights in any developments, works, inventions or improvements produced or designed by such person, during the term of and in the course of employment with, or providing services to, the Corporation or the Subsidiary (as applicable), and waiving any moral rights in the same, as the case may be; and (ii) which contains customary confidentiality, non-competition and non-disclosure covenants, and covenants to sign any documents reasonably desirable to give full effect to any assignments or waivers of moral rights referred to in this Section;
- (v) to the knowledge of the Corporation, without independent investigation, all of the persons who either alone or in concert with others, developed, invented, improved, adapted, created, discovered, derived, programmed, designed, modified, updated, corrected or maintained any element or combination of elements in the Intellectual Property owned by the Corporation or the Subsidiaries are employees, former employees, officers, former officers, directors, former directors, independent contractors, former independent contractors, partners, former partners, and agents of the Corporation and/or the Subsidiaries, as applicable, all of whom have, or as of Closing will have, executed valid and binding written assignments of any and all rights they may have in any element or combination of elements in any Intellectual Property in a form and substance reasonably satisfactory to the Underwriters;
- (vi) to the knowledge of the Corporation, without independent verification, none of the employees, former employees, officers, former officers, directors, former directors, independent contractors, former independent contractors, partners former partners, agents and other agents of the Corporation or the Subsidiaries has any moral rights (or other similar rights) which have not been waived in any element or combination of elements of the Intellectual Property;
- (vii) the Corporation and the Subsidiaries have taken all reasonable steps to protect: (i) their respective rights in and to its owned Intellectual Property, in each case in accordance with industry practice; and (ii) the secrecy, confidentiality and value of any confidential elements of the Intellectual Property;
- (viii) the Corporation is not currently pursuing any litigation against any person for any infringement, misappropriation or misuse of its Intellectual Property;
- (rr) *Data Security.* Each of the Corporation and its Subsidiaries has made backups of all material Software and databases used by it and maintain such backups at a secure off-site location. The Corporation and its Subsidiaries have taken all reasonable steps: (i) to maintain the integrity and security of its systems and network infrastructure in connection with the collection, transmission and storage of electronic data, including video and

imagery; (ii) to block the distribution of sensitive imagery which may be harmful to or breach the security interests of any country; and (iii) to protect the information technology and communication systems used in connection with their operations and business from contamination, corruption, computer viruses, firewall breaches, sabotage, hacking or other software routines or hardware components that would permit material unauthorized access or the unauthorized disablement, theft or erasure of its information technology systems, communication systems, imagery, products or Software. The Corporation and its Subsidiaries have disaster recovery and security plans and procedures in place and there have been no material unauthorized intrusions or breaches of the security of the information technology or communication systems used in connection with their operations and business;

- (ss) *Privacy Protection.* Each of the Corporation and its Subsidiaries has security measures and safeguards in place to protect personal information it collects from customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. To the knowledge of the Corporation, the Corporation and its Subsidiaries have complied with all applicable privacy and consumer protection legislation (including the *Personal Information Protection Act* (British Columbia), the *Personal Information Protection and Electronic Documents Act* (Canada), and each applicable health information law) and none of them has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation and its Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse as required by Applicable Laws. There has been no loss, damage, or unauthorized access, intrusions, use modification, or other misuse of any information collected, controlled or held by the Corporation or any Subsidiary. To the knowledge of the Corporation, no Person has provided any notice, made any claim, or commenced any proceeding with respect to loss, damage, or unauthorized access, use or modification, or other misuse of any such information by the Corporation or any Subsidiary; and there is no reasonable basis for any such notice, claim or proceeding. The execution and delivery this Agreement and the performance of the transactions contemplated hereby does not violate any privacy policy, terms of use, agreement or Applicable Laws relating to the use, dissemination, or transfer of any information;
- (tt) *Insurance.* The Corporation and its Subsidiaries maintain insurance against loss of, or damage to, the Business Assets on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage are in good standing in all respects and not in default except in each case as could not reasonably be expected to have a Material Adverse Effect, and the Corporation has not failed to promptly give any notice of any material claim thereunder;
- (uu) *Material Agreements.* Other than the Material Agreements, there are no material contracts or agreements which have or which might have or create any material obligation on the Corporation or from which it derives or could derive any material benefit or which are required by the Corporation to carry on its business. For the purposes of this representation and warranty, any contract or agreement is deemed to be material where such contract will, or may reasonably be expected to, result in expenditures by the Corporation or its Subsidiaries of an aggregate of more than \$100,000 or the Corporation or its Subsidiaries

receiving or being entitled to receive revenue of more than \$100,000 during any 12 month period and is out of the ordinary course of business of the Corporation. Each of the Corporation and the Subsidiaries have, in all material respects, performed all of the obligations required to be performed by it prior to the date hereof and is entitled to all benefits under, and is not in default or to its knowledge alleged to be in default in respect of, any of the Material Agreements in any material respect. All Material Agreements are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, or otherwise, would constitute a default under or breach of, by the Corporation, the Subsidiaries, or any other person, any material obligation, agreement, covenant or condition contained in any of the Material Agreements. To the Corporation's knowledge, there is no dispute between the Corporation or the Subsidiaries and any other party under any of the Material Agreements. Neither the Corporation nor the Subsidiaries have received any written notice of a dispute in respect of any of the Material Agreements;

- (vv) *No Swaps.* The Corporation is not currently a party to any Swaps;
- (ww) *No Material Changes.* Since May 31, 2020: (i) there has been no material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise) business, condition (financial or otherwise), properties, capital or results of operations of the Corporation and its Subsidiaries considered as one enterprise, and (ii) there have been no transactions entered into by the Corporation or its Subsidiaries, other than those in the ordinary course of business, which are material with respect to the Corporation and its Subsidiaries considered as one enterprise;
- (xx) *Absence of Proceedings.* There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency, governmental instrumentality or body, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation, the Business Assets or any Subsidiary which is required to be disclosed in the Offering Documents, and which if not so disclosed, or which if determined adversely, would have a Material Adverse Effect, or would materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Corporation of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Corporation or any Subsidiary is a party or of which any of their respective property or assets is subject, which are not described in the Offering Documents include only ordinary routine litigation incidental to the business, properties and assets of the Corporation and the Subsidiaries and would not reasonably be expected to result in a Material Adverse Effect;
- (yy) *Absence of Defaults and Conflicts.* Neither the Corporation nor its Subsidiaries is in violation, default or breach of, and the execution, delivery and performance of this Agreement, the Offering Documents and the consummation of the transactions and compliance by the Corporation with its obligations hereunder and thereunder, the sale of the Offered Securities and the grant of the Over-Allotment Option do not and will not, whether with or without the giving of notice or passage of time or both, result in a violation, default or breach of, or conflict with, or result in the creation or imposition of any Lien upon any property or assets of the Corporation, or its Subsidiaries under the terms or provisions of: (i) any Material Agreements, Licences or Debt Instruments; (ii) the notice of articles or articles other constating documents or resolutions of the directors or shareholders of the Corporation or its Subsidiaries; (iii) to the knowledge of the

Corporation, any existing applicable law, statute, rule, regulation including applicable Securities Laws, the Cannabis Act, the CDSA and the rules and regulations of the TSXV; or (iv) any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Corporation, or its Subsidiaries or any of their assets, properties or operations;

- (zz) *Labour*. No material labour dispute with the employees of the Corporation or its Subsidiaries currently exists or, to the knowledge of the Corporation, is imminent or threatened. Neither the Corporation nor its Subsidiaries is a party to any collective bargaining agreement and, to the knowledge of the Corporation, no action has been taken or is contemplated to organize any employees of the Corporation or its Subsidiaries;
- (aaa) *Taxes*. All tax returns, reports, elections, remittances and payments of the Corporation and its Subsidiaries required by applicable law to have been filed or made in any applicable jurisdiction, have been timely filed or made (as the case may be) and are true, complete and correct except where the failure to make such filing, election, or remittance and payment would not constitute a Material Adverse Effect, and all taxes of the Corporation and of its Subsidiaries (whether or not shown on such tax filings and whether or not assessed by any taxing authority) have been paid or accrued in the Financial Statements (except as any extension may have been requested or granted and in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect). No examination of any tax return of the Corporation or its Subsidiaries is currently in progress by any Governmental Authority and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Corporation or the Subsidiaries;
- (bbb) *Foreign Corrupt Practices Act*. None of the Corporation, any of its Subsidiaries or, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or other person acting on behalf of the Corporation or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the *Foreign Corrupt Practices Act of 1977*, as amended, and the rules and regulations thereunder (the "**FCPA**") or the *Corruption of Foreign Public Officials Act (Canada)*, as amended (the "**CFPOA**"), including making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA), or any "foreign public official" (as such term is defined in the CFPOA), or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the CFPOA, and the Corporation and, to the knowledge of the Corporation, its Subsidiaries have conducted their businesses in compliance with the FCPA and the CFPOA;
- (ccc) *Money Laundering Laws*. The operations of the Corporation and its Subsidiaries are, and, to the knowledge of the Corporation, have been conducted at all times, in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and, to the knowledge of the Corporation, no action, suit or proceeding by or before any court

or Governmental Authority or any arbitrator involving the Corporation or any of its Subsidiaries with respect to the Money Laundering Laws is pending or threatened;

- (ddd) *Significant Acquisitions.* The Corporation has not completed any "significant acquisition" nor is it proposing any "probable acquisitions" (as such terms are defined in NI 51-102) that would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus or the filing of a Business Acquisition Report pursuant to Canadian Securities Laws;
- (eee) *Corporation Short Form Eligible.* The Corporation is eligible to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to applicable Canadian Securities Laws and on the date of and upon filing of the Final Prospectus there will be no documents required to be filed under the Canadian Securities Laws in connection with the distribution of the Offered Securities that will not have been filed as required;
- (fff) *Status in the U.S.* The Corporation makes the representations, warranties and covenants applicable to it in Schedule "A" hereto and acknowledges that the terms and conditions of the representations, warranties and covenants of the parties contained in Schedule "A" form part of this Agreement;
- (ggg) *Compliance with Laws.* The Corporation has complied, or will have complied, in all material respects with all relevant statutory and regulatory requirements required to be complied with prior to the Time of Closing in connection with the Offering. Neither the Corporation nor its Subsidiaries are aware of any legislation or proposed legislation, which they anticipate will have a Material Adverse Effect;
- (hhh) *No Loans.* Neither the Corporation nor its Subsidiaries have any outstanding Debt Instruments, have made any material loans to or guaranteed the material obligations of any person, or are under any obligation to create or issue any Debt Instruments, except as disclosed in the Prospectus. Each of the Corporation and the Subsidiaries have, in all material respects, performed all of the obligations required to be performed by it prior to the date hereof and is entitled to all benefits under, and is not in default or to its knowledge alleged to be in default in respect of, any of any Debt Instrument in any material respect. All Debt Instruments are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, or otherwise, would constitute a default under or breach of, by the Corporation, the Subsidiaries, or any other person, any material obligation, agreement, covenant or condition contained in any of the Debt Instruments. To the Corporation's knowledge, there is no dispute between the Corporation or the Subsidiaries and any other party under any of the Debt Instruments. Neither the Corporation nor the Subsidiaries have received any written notice of a dispute in respect of any of the Debt Instruments;
- (iii) *Directors and Officers.* None of the directors or officers of the Corporation are now, or have 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;
- (jjj) *Minute Books and Records.* The minute books of the Corporation and its Subsidiaries contain full, true and correct copies of the constating documents of the Corporation or the relevant Subsidiary, as applicable, and contain copies of all minutes of all meetings and all

consent resolutions of the directors (other than in respect of the Offering), committees of directors and shareholders of the Corporation or the relevant Subsidiary, as applicable, and all such meetings were duly called and properly held and all such resolutions were properly adopted except to the extent that any such failure could not reasonably be expected to have a Material Adverse Effect;

- (kkk) *Employee Plans.* The Documents Incorporated by Reference disclose, to the extent required by applicable Canadian Securities Laws, each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former director, officer, employee or consultant of the Corporation (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans;
- (lll) *No Dividends.* During the previous 12 months, the Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do any of the foregoing. There are no restrictions upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation in the constating documents or in any Material Agreements;
- (mmm) *Fees and Commissions.* Other than the Underwriters (and their selling group members) pursuant to this Agreement, there is no other person acting at the request of the Corporation, or to the knowledge of the Corporation, purporting to act who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein;
- (nnn) *Entitlement to Proceeds.* Other than the Corporation, there is no person that is or will be entitled to demand the proceeds of the Offering;
- (ooo) *Related Parties.* Other than as set forth in the Documents Incorporated by Reference, none of the directors, officers or employees of the Corporation, any known holder of more than 10.0% of any class of securities of the Corporation or securities of any person exchangeable for more than 10.0% of any class of securities of the Corporation, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the B.C. Act), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected or is reasonably expected to materially affect the Corporation and its Subsidiaries, on a consolidated basis. Except as set forth in the Financial Statements and Documents Incorporated by Reference, neither the Corporation nor its Subsidiaries has any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with them; and

- (ppp) *Full Disclosure.* The Corporation has not withheld and will not withhold from the Underwriters prior to the Time of Closing, any material facts relating to the Corporation, its Subsidiaries or the Offering.

## **Section 9 Warrants and Broker Warrants**

- (1) The Corporation agrees that the Warrants and the Additional Warrants will be duly and validly created and distributed pursuant to the terms of the Warrant Indenture and the Broker Warrants will be duly and validly created and distributed pursuant to the terms of the Broker Warrant Certificate.
- (2) Each Warrant will entitle the holder thereof to acquire, at a price of \$0.90 per Warrant, subject to adjustment as provided for in the Warrant Indenture, one Common Share at any time from the Closing Date until 5:00 p.m. (Vancouver time) on the date that is 24 months from the Closing Date.
- (3) Each Broker Warrant will entitle the holder thereof to acquire, at a price of \$0.68 per Broker Warrant, subject to adjustment as provided for in the Broker Warrant Certificate, one Common Share at any time from the Closing Date until 5:00 p.m. (Vancouver time) on the date that is 24 months from the Closing Date.
- (4) The Underwriters acknowledge that the Broker Warrants and the Broker Warrant Shares issuable upon exercise of the Broker Warrants have not been and will not be registered under the U.S. Securities Act or any applicable securities laws of any state of the United States, and the Broker Warrants may not be exercised in the United States or by, or on behalf of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable securities laws of any state of the United States. In connection with the issuance of the Broker Warrants, each Underwriter represents and warrants that it is not a U.S. Person or a person located in the United States and is not acting on behalf of a U.S. Person or person in the United States, (ii) this Agreement was executed and delivered outside the United States, and (iii) it is acquiring the Broker Warrants and Broker Warrant Shares, as applicable, as principal for its own account for investments purposes and not for the benefit of any other person or with the intent to distribute the Broker Warrants or Broker Warrant Shares into the United States.

## **Section 10 Covenants of the Corporation**

The Corporation covenants and agrees with the Underwriters, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Offered Securities, that:

- (1) *Compliance with Certain Material Contracts.* The Corporation will duly, punctually and faithfully perform all the obligations to be performed by it under this Agreement, the Warrant Indenture and the Broker Warrant Certificate;
- (2) *Notification of Filings.* The Corporation will advise the Underwriters, promptly after receiving notice thereof, of the time when the Offering Documents have been filed and receipts, as applicable, therefor have been obtained and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipts;
- (3) *Standstill and Undertakings.* The Corporation and each of its senior officers and directors, and for each of such senior officer and director, their spouse, partner, children or any person or individual over which they have control or direction, will not, and in the case of any person other than the Corporation will execute an undertaking in favour of the Underwriters, pursuant to which each will

agree not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of Canaccord and Eight, such consent not to be unreasonably withheld, except, as applicable in the case of the Corporation or the applicable person, in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements, provided such options and other similar securities are granted or issued with an exercise price not less than the Offering Price of the Units; (ii) the exercise of outstanding warrants; (iii) any transaction with an arm's length third party whereby the Corporation directly or indirectly acquires shares or assets of a business; and (iv) the issuance of securities to a strategic investor in connection with a private placement.

- (4) *Future Financings.* For a period of 12 months after the Closing Date, if the Corporation proposes to offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or announces any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other securities of the Corporation, the Corporation will first offer to engage Canaccord and Eight Capital as its co-lead bookrunners, managers, underwriters and/or private placement agents in connection with such transaction, with a minimum aggregate syndicate allocation of 40% between Canaccord and Eight collectively, subject to agreeing on a mutually acceptable fee arrangements. The terms and conditions relating to any such engagement or services will be outlined in a separate engagement letter, underwriting agreement or agency agreement and the fees for such services will be in addition to the fees payable under this Agreement, will be negotiated separately and in good faith and will be consistent with fees paid to North American investment bankers for similar services. If Canaccord and Eight do not accept the terms and conditions contained in the Corporation's offer, the Corporation will be entitled to engage any other person as manager, underwriter and/or private placement agent, provided that the terms and conditions of any such engagement shall be no more favorable to such other person than the terms and conditions offered to Canaccord and Eight.
- (5) *Maintain Reporting Issuer Status.* The Corporation will use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in each of the provinces of British Columbia, Alberta and Ontario, to the date that is at least 12 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation and further provided that the Corporation shall not be required to comply with this Section 10(4) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Corporation ceases to be a "reporting issuer" (within the meaning of Securities Laws);
- (6) *Maintain Stock Exchange Listing.* The Corporation will use its commercially reasonable efforts to maintain the listing of the Common Shares (including the Common Shares comprising part of the Underlying Securities) on the TSXV or such other recognized stock exchange or quotation system as Canaccord, on behalf of the Underwriters may approve, acting reasonably, for a period of at least 12 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation provided that the Corporation shall not be required to comply with this Section 10(5) following the completion

of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Corporation ceases to be a "reporting issuer" (within the meaning of Securities Laws);

- (7) *Maintain Licences.* Each of the Corporation and the Subsidiaries shall, for a period of at least 12 months following the Closing Date, use its commercially reasonable efforts to: (i) take all necessary steps to maintain each Licence, as applicable, in good standing and to comply with the terms and conditions of each Licence; (ii) take all necessary steps to renew the Licences in advance of their respective expiry dates; and (iii) ensure such renewals thereof, as applicable, will permit the Corporation and/or its Subsidiaries to conduct the same or substantially similar activities as permitted by the current Licences, as applicable;
- (8) *Validly Issued Securities.* The Corporation will, provided it receives payment therefor, ensure that at the Time of Closing the Offered Securities have been duly and validly issued as fully paid and, if applicable, non-assessable;
- (9) *Use of Proceeds.* The Corporation will use the net proceeds of the Offering in the manner specified in the Prospectus under the heading "Use of Proceeds", including circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary;
- (10) *Consents and Approvals.* The Corporation will have made or obtained, as applicable, at or prior to the Closing time, all consents, approval, permits, authorizations or filings as may be required by the Corporation under Securities Laws necessary for the consummation of the transactions contemplated herein, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Securities Laws, "blue sky laws" in the United States and the rules of the TSXV;
- (11) *Closing Conditions.* The Corporation will have, at or prior to the Time of Closing, fulfilled or caused to be fulfilled, each of the conditions set out in Section 12 hereof; and
- (12) *Listing of Warrants.* The Corporation shall, as soon as practicable after Closing, file the supplemental listing application with the TSXV in connection with listing of the Warrants and use its commercially reasonable efforts to take all necessary steps to obtain approval for the listing of the Warrants on the TSXV, and will advise the Underwriters once the such approval for the listing of the Warrants has been granted.

## **Section 11 Representations, Warranties and Covenants of the Underwriters**

- (1) Each Underwriter hereby severally, and not jointly, nor jointly and severally, represents and warrants to the Corporation that:
  - (a) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfill its obligations hereunder; and
  - (b) it has good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein.
- (2) The Underwriters hereby severally, and not jointly, nor jointly and severally, covenant and agree with the Corporation, the following:

- (a) *Jurisdictions and Offering Price.* During the period of distribution of the Offered Securities by or through the Underwriters, the Underwriters will offer and sell Offered Securities to the public only in the Selling Jurisdictions where they may lawfully be offered for sale upon the terms and conditions set forth in the Prospectus, the U.S. Private Placement Memorandum, as applicable, and this Agreement either directly or through other registered investment dealers and brokers. The Underwriters shall be entitled to assume that the Offered Securities are qualified for distribution in any Qualifying Jurisdiction where the Final Receipt shall have been obtained following the filing of the Prospectus.
- (b) *Compliance with Securities Laws.* The Underwriters will comply with applicable Securities Laws in connection with the offer and sale and distribution of the Offered Securities.
- (c) *U.S. Sales.* The Underwriters will not directly or indirectly, solicit offers to purchase or sell the Offered Securities or deliver any Offering Document to Purchasers so as to require registration of the Offered Securities or filing of a prospectus or registration statement with respect to those Offered Securities under the laws of any jurisdiction other than the Qualifying Jurisdictions, including the United States. Any offer or sales of Offered Securities (including any unsold allotment of Offered Securities) in the United States or to or for the account or benefit of a U.S. Person or person in the United States will be made in accordance with the terms and conditions set out in this Agreement. The terms and conditions and the representations and warranties and covenants of the parties contained in Schedule "A" form part of this Agreement.
- (d) *Completion of Distribution.* Each of the Underwriters will use its commercially reasonable efforts to complete the distribution of the Offered Securities as promptly as possible after the Time of Closing. Canaccord will notify the Corporation when, in Canaccord's opinion, the Underwriters have ceased the distribution of the Offered Securities, and, within 30 calendar days after completion of the distribution, will provide the Corporation, in writing, with a breakdown of the total proceeds realized or number of Offered Securities sold: (i) in each of the Qualifying Jurisdictions; and (ii) in any other Selling Jurisdictions.
- (e) *Liability on Default.* No Underwriter shall be liable to the Corporation under this section with respect to a breach or default by any of the other Underwriters.

## **Section 12      Conditions of Closing**

The Underwriters' obligation to purchase the Offered Securities pursuant to this Agreement shall be subject to the following conditions:

- (1) The Underwriters receiving at the Time of Closing, favourable legal opinions from Miller Thomson LLP, counsel to the Corporation (who may rely on, to the extent appropriate in the circumstances, or alternatively provide directly to the Underwriters, the opinions of local counsel acceptable to counsel to the Underwriters as to the qualification of the Offered Securities for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the provinces in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, public and exchange officials or of the auditor or transfer agent of the Corporation), to the effect set forth below:

- (a) the Corporation is a corporation validly incorporated and existing under the *Business Corporations Act* (British Columbia) and has all requisite corporate power and capacity to carry on business, to own and lease its properties and assets;
- (b) the Corporation has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement and to issue and sell the Offered Securities, and grant the Over-Allotment Option;
- (c) the authorized and issued capital of the Corporation;
- (d) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement, the Warrant Indenture and the Broker Warrant Certificate and the performance of its obligations hereunder and thereunder and this Agreement, the Warrant Indenture and the Broker Warrant Certificate have each been duly executed and delivered by the Corporation and constitute a legal, valid and binding obligations of the Corporation enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such other standard assumptions and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agreement may be limited by applicable law;
- (e) the execution and delivery of this Agreement, the Warrant Indenture and the Broker Warrant Certificates and the fulfilment of the terms hereof and thereof by the Corporation and the issuance, sale and delivery of the Offered Securities and the grant of the Over-Allotment Option do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with the notice of articles and the articles of the Corporation, any resolutions of the shareholders or directors of the Corporation, or any British Columbia corporate law and Canadian Securities Law applicable therein;
- (f) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus and the Final Prospectus (and any Supplementary Material) and the filing thereof with the Securities Commissions in the Qualifying Jurisdictions;
- (g) the Offered Shares and Finance Fee Shares have been validly issued as fully paid and non-assessable Common Shares;
- (h) the Warrants have been duly and validly created and issued in accordance with the provisions of the Warrant Indenture;
- (i) the Additional Securities have been duly and validly authorized, and the Additional Offered Shares have been allotted and reserved for issuance and upon exercise of the Over-Allotment Option and receipt of payment of the consideration therefor, the applicable Additional Securities will be validly issued as fully paid and, if applicable, non-assessable Common Shares;

- (j) the Warrant Shares and the Additional Warrant Shares issuable upon the exercise of the Warrants and the Additional Warrants, respectively, have been reserved and allotted for issuance and when issued in accordance with the provisions of the Warrant Indenture will be validly issued as fully paid and non-assessable Common Shares;
- (k) the Broker Warrants have been duly and validly created and issued in accordance with the provisions of the Broker Warrant Certificate;
- (l) the Broker Warrant Shares issuable upon the exercise of the Broker Warrants have been reserved and allotted for issuance and when issued in accordance with the provisions of the Broker Warrant Certificate will be validly issued as fully paid and non-assessable Common Shares;
- (m) all necessary documents have been filed, all necessary proceedings have been taken and all necessary authorizations, approvals, permits, consents and orders have been obtained under Canadian Securities Laws to permit the Offered Securities to be offered, sold and delivered in the Qualifying Jurisdictions by or through investment dealers or brokers duly registered under the applicable Canadian Securities Laws who comply with the relevant provisions of such laws and the terms of such registration and to qualify the grant of the Over-Allotment Option to the Underwriters;
- (n) the issuance and delivery of the Warrant Shares and the Additional Warrant Shares by the Corporation upon valid exercise of Warrants and Additional Warrants in accordance with the terms and conditions of the Warrant Indenture, respectively, is exempt from the prospectus requirements of Canadian Securities Laws of the Qualifying Jurisdictions and no prospectus is required nor are other documents required to be filed, proceeding taken or approval, consent or authorization obtained by the Corporation under Canadian Securities Laws of the Qualifying Jurisdictions to permit the issuance and delivery of the Warrant Shares and the Additional Warrant Shares to holders thereof in the Qualifying Jurisdictions;
- (o) the issuance and delivery of the Broker Warrant Shares by the Corporation in the Qualifying Jurisdictions upon valid exercise of Broker Warrants in accordance with the terms and conditions of the Broker Warrant Certificates is exempt from the prospectus requirements of Canadian Securities Laws of the Qualifying Jurisdictions and no prospectus is required nor are other documents required to be filed, proceeding taken or approval, consent or authorization obtained by the Corporation under Canadian Securities Laws of the Qualifying Jurisdictions to permit the issuance and delivery of the Broker Warrant Shares to the holders thereof in the Qualifying Jurisdictions;
- (p) the first trade of the Underlying Securities is exempt from the prospectus requirements of Canadian Securities Laws, and no documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities required to be obtained under the Canadian Securities Laws in connection with the first trade by the Underwriters, provided that the trade is not a control distribution as defined in National Instrument 45-102 *Resale of Securities*;
- (q) the Corporation is a reporting issuer, or its equivalent, in each of the provinces of British Columbia, Alberta and Ontario and it is not noted on the list of defaulting reporting issuers

maintained by the regulatory authorities in the provinces of British Columbia, Alberta or Ontario;

- (r) Computershare Investor Services Inc., at its principal office located in Vancouver, British Columbia, has been appointed as the registrar and transfer agent for the Common Shares;
- (s) Computershare Trust Company of Canada, at its principal office located in Vancouver, British Columbia has been appointed as the Warrant Agent under the Warrant Indenture;
- (t) the statements set forth in the Final Prospectus under the headings "Eligibility for Investment" are true, complete and accurate, subject to the limitations and qualifications set out therein;
- (u) subject only to the standard listing conditions, the Listed Securities have been conditionally listed or approved for listing on the TSXV; and
- (v) to such other matters as may reasonably be requested by the Underwriters no less than 48 hours prior to the Time of Closing;

in a form acceptable to counsel to the Underwriters and their counsel, acting reasonably.

- (2) if applicable, the Underwriters receiving, at the Time of Closing, the favourable legal opinion dated the Closing Date from Dorsey Whitney LLP, United States counsel for the Corporation, to the effect that registration of the Offered Securities offered and sold in the United States in accordance with this Agreement (including Schedule "A" hereto), if any, will not be required under the U.S. Securities Act, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably;
- (3) the Underwriters receiving, at the Time of Closing, favourable legal opinions from legal counsel to the Corporation acceptable to the Underwriters, regarding each of its Subsidiaries in a form acceptable to the Underwriters and their counsel, acting reasonably, to the effect set out below:
  - (a) the Subsidiary having been incorporated and existing under its jurisdiction of incorporation;
  - (b) the Subsidiary having the corporate capacity and power to own and lease its properties and assets and to conduct its business as described in the Prospectus; and
  - (c) as to the authorized and issued share capital of the Subsidiary and to the ownership thereof;
- (4) the Underwriters receiving, at the Time of Closing, an auditors comfort letter dated the Closing Date from Davidson & Company LLP, in form and substance satisfactory to the Underwriters, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 5(1)(c) hereof;
- (5) a certificate of the Corporation dated the Closing Date, addressed to the Underwriters and signed on the Corporation's behalf by its Chief Executive Officer and Chief Financial Officer or such other senior officers of the Corporation satisfactory to the Underwriters, acting reasonably, certifying that:

- (a) the Corporation has complied with and satisfied, in all material respects, all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Date;
  - (b) the representations and warranties of the Corporation set forth in this Agreement are true and correct at the Closing Date, as if made at such time;
  - (c) the Due Diligence Session Responses, subject to the qualifications and provisions contained therein, are true and correct in all material respects as at the Closing Date, as if made at such time;
  - (d) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation, or prohibiting or restricting the distribution of any securities has been made, or proceedings have been announced, commenced or threatened for the making of any such order, ruling or determination by any securities commission or similar regulatory authority or by any other competent authority, and has not been rescinded, revoked or withdrawn, and, to the knowledge of such officers, no proceedings for such purpose are pending, contemplated or threatened;
  - (e) the Corporation has made and/or obtained, at or prior to the Time of Closing, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Corporation is a party or by which it is bound in respect of the execution and delivery of this Agreement and the consummation of the other transactions contemplated hereby (subject to completion of filings with certain regulatory authorities following the Closing Date and other than in respect of the filing of the Preliminary Prospectus and the Final Prospectus); and
  - (f) such other matters as may be reasonably requested by the Underwriters or their legal counsel.
- (6) the Underwriters receiving, at the Time of Closing, a certificate from Computershare Investor Services Inc. as to the number of Common Shares issued and outstanding as at the end of business day on the date prior to the Closing Date;
  - (7) at the Time of Closing, no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Securities or any of the Corporation's issued securities being issued and no proceeding for such purpose being pending or, to the knowledge of the Corporation, threatened by any securities regulatory authority or the TSXV;
  - (8) the Corporation having delivered to the Underwriters evidence of the approval (or conditional approval) of the listing and posting for trading of the Listed Securities on the TSXV, subject only to satisfaction by the Corporation of standard listing conditions;
  - (9) the Corporation complying with all of its covenants and obligations under this Agreement required to be satisfied at or prior to the Time of Closing;
  - (10) the Warrant Indenture shall have been executed and delivered by the Corporation in form and substance satisfactory to the Underwriters, acting reasonably;

- (11) the Underwriters not having exercised any rights of termination set forth herein; and
- (12) the Underwriters having received at the Time of Closing such further certificates, opinions of counsel and other documentation from the Corporation contemplated herein, provided, however, that the Underwriters or their counsel shall reasonably request any such certificate or document within a reasonable period prior to the Time of Closing that is sufficient for the Corporation to obtain and deliver such certificate, opinion or document.

### **Section 13 Closing**

- (1) *Location of Closing.* The Offering will be completed via electronic means or at the offices of Miller Thomson LLP in Vancouver, British Columbia at the Time of Closing.
- (2) *Securities.* At the Time of Closing, subject to the terms and conditions contained in this Agreement, the Corporation shall:
  - (a) deliver to the Underwriters, the Units in electronic or certificated form, registered in the name of "CDS & Co." or in such other name or names as the Underwriters may notify the Corporation in writing not less than 24 hours prior to the Time of Closing, for deposit into the electronic book based system for clearing, depository and entitlement services operated by CDS, against payment of the aggregate Offering Price for the Offered Securities by wire transfer on the Closing Date, payable to the Corporation. Notwithstanding the foregoing, any Offered Shares and Warrants acquired by purchasers who complete Exhibit B to the U.S. Private Placement Memorandum will be represented by individual certificates and will not be registered in the name of CDS & Co.; and
  - (b) upon payment of the aggregate Offering Price pursuant to Section 13(2)(a), make payment in full of the Finance Fee and the applicable Underwriting Fee and the expenses of the Underwriters, which shall be made by the Corporation (i) directing the Underwriters to withhold the cash portion of the Finance Fee and the cash portion of Underwriting Fee and such expenses from the payment of the aggregate Offering Price; and (ii) delivering to Canaccord, on behalf of the Underwriters, at Canaccord's offices in Toronto, Ontario, the original Broker Warrant Certificates representing the Broker Warrants and the original certificates representing the Finance Fee Shares to be issued to the Underwriters pursuant to Section 2(c) duly executed by the Corporation.

### **Section 14 Closing of the Over-Allotment Option**

- (1) *Closing.* The purchase and sale of the Additional Securities, if required, shall be completed at such time and place as the Underwriters and the Corporation may agree, but in no event shall such closing occur not earlier than two Business Days and not later than five Business Days after written notice to purchase Additional Securities under the Over-Allotment Option is given in the manner contemplated herein.
- (2) *Securities.* At the closing of the Over-Allotment Option, subject to the terms and conditions contained in this Agreement, the Corporation shall:
  - (a) deliver to the Underwriters (i) the Additional Securities in the same manner contemplated in Section 13(2)(a), against payment to the Corporation by the Underwriters of the

applicable price for the Additional Securities being issued and sold by wire transfer, in the same manner as contemplated in Section 13(2)(a);

- (b) upon payment of the applicable price for the Additional Securities being issued and sold pursuant to Section 14(2)(a), make payment in full of the applicable Underwriting Fee and deliver the Broker Warrants applicable to the issuance of such Additional Securities in the same manner contemplated in Section 13(2)(b).
- (3) *Deliveries.* The applicable terms, conditions and provisions of this Agreement (including the provisions of Section 12 relating to closing deliveries) shall apply *mutatis mutandis* to the Closing of the issuance of any Additional Securities pursuant to any exercise of the Over-Allotment Option.
- (4) *Adjustments.* In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the applicable price and to the number of Additional Securities issuable on exercise thereof such that the Underwriters are entitled to arrange for the sale of the same number and type of securities that the Underwriters would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

## Section 15 Indemnification and Contribution

- (1) The Corporation and its Subsidiaries or affiliated companies, as the case may be (collectively, the "**Indemnitor**") hereby agrees to indemnify and hold each of the Underwriters, and/or any of their respective affiliates and other syndicate members and their affiliates and each of their respective directors, officers, employees, partners, agents, shareholders, advisors, each other person, if any, controlling the Underwriters or any of their subsidiaries (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") harmless from and against any and all expenses, losses, claims, actions (including shareholder actions, derivative or otherwise), suits, proceedings, damages, liabilities or expenses of whatever nature or kind, whether joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims, and the fees, disbursements, expenses and taxes of their counsel (collectively, the "**Losses**") that may be incurred in investigating or advising with respect to and/or defending or settling third party action, suit, proceeding, investigation or claim (collectively, the "**Claims**") that may be made or threatened against the Indemnified Parties or to which the Indemnified Parties may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such Losses and/or Claims arise out of or are based, directly or indirectly, upon:
  - (a) the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the matters referred to in this Agreement;
  - (b) any oral or written misrepresentation made by the Indemnitor to the Indemnified Parties in connection with this Agreement or any breach or alleged breach or non-performance of any representation, warranty or covenant made by the Corporation contained herein or in any certificate or other document of the Corporation or of any officers thereof delivered hereunder or pursuant hereto or the failure of the Corporation to comply with any of their obligations hereunder;

- (c) any statement or information contained in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material (other than any statement relating solely to the Underwriters and provided by the Underwriters in writing for inclusion in such document) containing or being alleged to contain a misrepresentation (for the purposes of Canadian Securities Laws) or being alleged to be untrue, false or misleading;
- (d) any omission or alleged omission to state in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material or any certificate of the Corporation delivered under or pursuant to this Agreement any fact (except facts relating solely to the Underwriters), whether material or not, required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made;
- (e) the non-compliance or alleged non-compliance by the Corporation with any requirement of applicable Securities Laws; or
- (f) any order made or inquiry, investigation or proceedings (formal or informal) commenced or threatened by any officer or official of any Governmental Authority based upon the circumstances described in Section 15(1)(c) above which operates to prevent or restrict trading in or distribution of the Offered Securities or any other securities of the Corporation in any of the Qualifying Jurisdictions,

provided that, this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Losses were solely caused by a material breach of this Agreement by, breach of applicable laws by, gross negligence of, or fraudulent act of, the Indemnified Party.

- (2) If for any reason (other than a determination as to any of the events referred to above) the foregoing indemnity is unavailable to an Indemnified Party, or is insufficient to hold them harmless, then the Indemnitor shall contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor or its shareholders on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations, provided that the Indemnitor shall in any event contribute to the Losses paid or payable by the Indemnified Party as a result of such Claim, in such amount that is in excess of the amount of the Underwriting Fee actually received by the Underwriters pursuant to this Agreement. In the case of liability arising out of the Offering Documents, the relative fault of the Corporation, on one hand, and of the Underwriters, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 15 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of the Corporation or the Underwriters and the parties' relative intent knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Section 15. In no event shall the Indemnified Parties be responsible to pay any amount in excess of the amount of the Underwriting Fee actually received by it and the Indemnitor agrees not to seek or claim any such excess amounts in any circumstances. In the event that the Indemnitor may be entitled to contribution from the Indemnified Parties under the provisions of any statute or law, the Indemnitor shall be limited to contribution in any amount not exceeding the lesser of the portion of the Losses giving rise to such contribution for which the Underwriters are responsible

and the amount of the Underwriting Fee received by the Underwriters. The Indemnitor agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Indemnitor, or any person asserting claims on their behalf or in right for or in connection with this Agreement, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Indemnitor are determined by a court of competent jurisdiction in a final judgment (in a proceeding in which an Indemnified Party is named as a party) that has become non-appealable to have resulted from a material breach of this Agreement, breach of applicable laws, gross negligence or fraudulent act of such Indemnified Party.

- (3) Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Underwriters will notify the Corporation in writing of the commencement thereof. The omission to so notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required results in the forfeiture by the Indemnitor of substantive rights or defences. The Indemnitor shall be entitled, at its own expense, to participate in and assume the defence of any Claim, provided such defence is conducted by counsel of good standing acceptable to the Indemnified Party and the Indemnitor shall throughout the course thereof provide copies of all relevant documentation to the Indemnified Party, will keep the Indemnified Party advised of all discussions and significant actions proposed in respect thereof. If such defence is not assumed by the Indemnitor, the Indemnified Parties shall throughout the course thereof provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of all discussions and significant actions proposed in respect thereof.
- (4) Notwithstanding the foregoing paragraph, any Indemnified Party shall also have the right to employ separate counsel in each relevant jurisdiction in any such Claim and participate in the defence thereof, and the fees and expenses of such counsel shall be borne by the Indemnified Party unless:
- (a) the Corporation has failed, within a reasonable period of time after receipt of notice, to assume the defense of such Claim;
  - (b) the employment of separate counsel has been specifically authorized in writing by the Corporation;
  - (c) the named parties to any such Claim include both the Indemnitor and any of the Indemnified Parties and such Indemnified Parties have been advised by their counsel that representation of both parties by the same counsel would be inappropriate due to an actual or a potential conflict of interest; or
  - (d) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Indemnitor such that there may be a conflict of interest between the parties;

in which case such fees and expenses of such counsel to the Indemnified Parties shall be for the Indemnitor's account.

- (5) The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or any Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or any such

authority shall investigate the Indemnitor and/or any Indemnified Party and the personnel of such Indemnified Party shall be required to testify in connection therewith or shall be required to participate or respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Indemnified Parties, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party monthly for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and reasonable out-of-pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) shall be paid by the Indemnitor as they occur.

- (6) A party hereunder shall not, without the other party's prior written consent, such consent not to be unreasonably withheld or delayed, settle, compromise or consent to the entry of any judgment or make an admission of liability with respect to any Claims or seek to terminate any Claims in respect of which indemnification may be sought hereunder. Neither party hereunder shall be liable for any such settlement of any Claim unless it has consented in writing to such settlement, such consent not to be unreasonably withheld.
- (7) The Indemnitor agrees to reimburse each of the Underwriters monthly for the time spent by such Underwriters' personnel in connection with any Claim at their reasonable per diem rates. The Indemnitor also agrees that if any Claim shall be brought against, or an investigation commenced in respect of the Corporation and any of the Underwriters and personnel of such Underwriters shall be required to participate or respond in respect of, by reason of, or in connection with, this Agreement or the performance of professional services rendered to the Corporation by the Indemnified Parties, each such Underwriter shall have the right to employ its own counsel in connection therewith and the Indemnitor will reimburse such Underwriter monthly for the time spent by its personnel in connection therewith at their reasonable per diem rates together with such disbursements and reasonable out-of-pocket expenses as may be incurred, including fees and disbursements of such Underwriter's counsel.
- (8) The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights an Indemnified Party may have at common law or otherwise.
- (9) The Indemnitor agrees to waive any right the Indemnitor may have of first requiring the Indemnified Party to proceed against or enforce any right, power, remedy, security or claim payment from any other person before claiming under this indemnity. The Indemnitor hereby acknowledges that Canaccord is acting as trustee for each of the other Indemnified Parties of the Indemnitor's covenants under this indemnity and Canaccord agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.
- (10) The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have to the Indemnified Parties, shall extend upon the same terms and conditions to the Indemnified Parties who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor and the Indemnified Parties.

## **Section 16 Expenses and Commission**

- (1) Whether or not the Offering shall be completed, all costs and expenses of or incidental to the sale and delivery of the Offered Securities and of or incidental to all matters in connection with the

transactions herein shall be borne by the Corporation, including all expenses of or incidental to the issue, sale or distribution of the Offered Securities, the fees and expenses of the Corporation's counsel, auditors and independent experts, all costs incurred in connection with the preparation of documents relating to the Offering, and the reasonable expenses and fees incurred by the Underwriters in entering into and performing their obligations under this Agreement, including travel and communication expenses, database service expenses, courier charges, the reasonable fees and disbursements of legal counsel (such amount (excluding applicable taxes and disbursements) not to exceed \$100,000 without the written approval of the Corporation, such approval not to be unreasonably withheld) and any other advisors retained by the Underwriters with the prior written consent of the Corporation, such consent not to be unreasonably withheld or delayed. Such reimbursable expenses shall be payable on the Closing Date, except that if the Offering is not completed, then such expenses shall be paid within 30 days of receipt by the Corporation of invoices from the Underwriters, whether or not the Offering is completed. The Corporation shall not be required to pay the fees and disbursements of legal counsel to the Underwriters which engagement between such legal counsel and the Underwriters, or any one of them, was terminated prior to the date hereof. At the option of the Underwriters, such fees and expenses may be deducted from the gross proceeds of the Offering.

- (2) It is anticipated that the services provided by the Underwriters in connection herewith will not be subject to the Goods and Services Tax assessed under Part IX of the *Excise Tax Act* (Canada) on the basis that any taxable supplies provided will be incidental to the exempt financial services provided. In the event, however, that the Canada Revenue Agency (or other taxing authority) assesses or propose to assess on the basis that the Goods and Services Tax, or any other value-added tax, is exigible on any or all of the Underwriting Fee, the value of the Broker Warrants, or the reimbursement of the expenses of the Underwriters, the Corporation agrees to forthwith pay the amount of such tax, together with any interest, penalties or other additions thereto, upon the request of the Underwriters, directly to the Underwriters or to the Canada Revenue Agency, as applicable.
- (3) The Underwriters acknowledge and agree that all selling concessions, costs, expenses and payments related to, incurred by, or in connection with, the sale of any Offered Securities to any retail investment advisors will be shared equally between the Underwriters.

#### **Section 17 All Terms to be Conditions**

The Corporation agrees that the conditions contained in this Agreement will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and each of the Corporation and the Underwriters will use its respective commercially reasonable efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of the conditions set out in this Agreement that are in the control of the Corporation shall entitle the Underwriters to terminate their obligation to purchase the Offered Securities, by written notice to that effect given to the Corporation at or prior to the Time of Closing. It is understood that the Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Underwriters in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing.

#### **Section 18 Termination by Underwriters in Certain Events**

- (1) If the Corporation has not obtained a Final Receipt for the Final Prospectus by 5:00 p.m. (Vancouver Time) on December 21, 2020 or at any time prior to the Closing:

- (a) any inquiry, action, suit, investigation or other proceeding (whether formal or informal), including matters of regulatory transgression or unlawful conduct, is commenced, announced or threatened or any order is made or issued under or pursuant to any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including without limitation the TSXV or any securities regulatory authority) against the Corporation or its directors, officers or principal shareholders, or there is any enactment or change in any law, rule or regulation, or the interpretation or administration thereof, which, in the reasonable opinion of the Underwriters (or either of them), could operate to prevent, restrict or otherwise seriously adversely affect the distribution or trading of the Units or the market price or value of the Common Shares;
- (b) there shall occur or come into effect any material change in the business, affairs, financial condition, prospects, capital or control of the Corporation and Subsidiaries, taken as a whole, or any change in any material fact or new material fact, or there should be discovered any previously undisclosed fact which, in each case, in the reasonable opinion of the Underwriter, has or could reasonably be expected to have a significant adverse effect on the market price or value or marketability of the Units;
- (c) 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, any escalation in the severity of the COVID-19 pandemic or any action, government, law, regulation, inquiry or other occurrence of any nature, which, in the reasonable opinion of the Underwriter, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Corporation or the marketability of the Units; or
- (d) the Corporation is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation becomes or is false in any material respect,

each of the Underwriters, shall be entitled to terminate and cancel its obligations to the Corporation by written notice to that effect given to the Corporation prior to the Closing.

- (2) If this Agreement is terminated by any of the Underwriters pursuant to Section 18(1), there shall be no further liability on the part of such Underwriter or of the Corporation to such Underwriter, except in respect of any liability which may have arisen or may thereafter arise under Sections 13 and 15.
- (3) The right of the Underwriters or any of them to terminate their respective obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under this Section 18 shall not be binding upon the other Underwriter.

## Section 19 Obligations of the Underwriters to be Several

- (1) Subject to the terms and conditions hereof, the obligation of the Underwriters to purchase the Units shall be several and not joint nor joint and several. The percentage of the Units (and any Additional Securities in the event the Over-Allotment Option is exercised) to be severally purchased and paid for by each of the Underwriters shall be as follows:

Canaccord Genuity Corp.*	50%
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Eight Capital*	50%
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\*5% step-up fee

- (2) Without affecting the firm obligation of the Underwriters to purchase from the Corporation all of the Units at the Offering Price in accordance with this Agreement, after the Underwriters have made reasonable effort to sell all of the Offered Securities at the Offering Price, the Offering Price may be decreased by the Underwriters and further changed from time to time to an amount not greater than the Offering Price specified herein. Such decrease in the Offering Price will not affect the Underwriting Fee to be paid by the Corporation to the Underwriters, and it will not decrease the amount of the net proceeds of the Offering to be paid by the Underwriters to the Corporation, before deducting expenses of the Offering. The Underwriters will inform the Corporation if the Offering Price is decreased.

## Section 20 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing by personal delivery or electronic mail as follows:

in the case of the Corporation, to:

Numinus Wellness Inc.  
801 - 33 Water Street  
Vancouver, BC V6B 1R4

Attention: Mr. Payton Nyquvest, Chief Executive Officer  
Email: payton@numinus.ca

with a copy of any such notice to:

Miller Thomson LLP  
400-725 Granville Street  
Vancouver, BC V7Y 1G5

Attention: Rory Godinho  
Email: rgodinho@millerthomson.com

in the case of the Underwriters, to:

Canaccord Genuity Corp.  
 #2200, 609 Granville Street  
 Vancouver, British Columbia V7Y 1H2

Attention: Jamie Brown  
 Email: jbrown@cgf.com

with a copy of any such notice to:

Bennett Jones LLP  
 Suite 2400, Park Place  
 666 Burrard Street  
 Vancouver, BC V6C 2X8

Attention: Christian Gauthier  
 Email: GauthierC@bennettjones.com

The Corporation and the Underwriters may change their respective addresses for notices by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by electronic mail and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by electronic mail on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours for the recipient then the notice or other communication shall be deemed to have been given on the first Business Day next following the day of such transmission.

## **Section 21     Miscellaneous**

- (a) *Actions of Canaccord.* Except with respect to Section 15, Section 18 and Section 19, all transactions and notices on behalf of the Underwriters hereunder or contemplated hereby may be carried out or given on behalf of the Underwriters by Canaccord and Canaccord shall in good faith discuss with the other Underwriter the nature of any such transactions and notices prior to giving effect thereto or the delivery thereof, as the case may be.
- (b) *Successors and Assigns.* This Agreement shall enure to the benefit of, and shall be binding upon, the Underwriters and the Corporation and their respective successors and legal representatives.
- (c) *Governing Law.* This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (d) *Time of the Essence.* Time shall be of the essence hereof and, following any waiver or indulgence by any party, time shall again be of the essence hereof.
- (e) *Interpretation.* The words, "hereunder", "hereof" and similar phrases mean and refer to the Agreement formed as a result of the acceptance by the Corporation of this offer by the Underwriters to purchase the Offered Securities.

- (f) *Survival.* All representations, warranties, covenants and agreements of the Corporation and/or the Underwriters herein contained or contained in documents submitted pursuant to this Agreement and in connection with the transaction of purchase and sale herein contemplated shall survive for a period ending on the date that is two years following the Closing Date. Notwithstanding the preceding sentence, Section 15 shall survive the purchase and sale of the Offered Securities and the termination of this Agreement and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as the case may be, regardless of any subsequent disposition of the Offered Securities or any investigation by or on behalf of the Underwriters with respect thereto without limitation other than any limitation requirements of applicable law. The Underwriters and the Corporation shall be entitled to rely on the representations and warranties of the Corporation or the Underwriters, as the case may be, contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriters or the Corporation may undertake or which may be undertaken on their behalf.
- (g) *Severability.* If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- (h) *Electronic Copies.* Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.
- (i) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.
- (j) *Several and Joint.* In performing their respective obligations under this Agreement, the Underwriters shall be acting severally and not jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Underwriters.
- (k) *Market Stabilization Activities.* In connection with the distribution of the Offered Securities, the Underwriters (or any of them) may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriters at any time.
- (l) *Entire Agreement.* This Agreement constitutes the only agreement between the parties hereto with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings in respect of the Offering. This Agreement may be amended or modified in any respect by written instrument only.
- (m) *Further Assurances.* Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and

other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

**[Remainder of page intentionally left blank.]**

If this Agreement accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this Agreement where indicated and returning them to us.

Yours very truly,

**CANACCORD GENUITY CORP.**

**EIGHT CAPITAL**

By: (s) "Shoaib Ansari"

By: (s) "Elizabeth Staltari"

Name: Shoaib Ansari  
Title: Managing Director, Investment  
Banking

Name: Elizabeth Staltari  
Title: Managing Director, Investment  
Banking

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

**NUMINUS WELLNESS INC.**

By: (s) "Payton Nyquvest"

Payton Nyquvest  
Chief Executive Officer

## SCHEDULE "A"

### TERMS AND CONDITIONS FOR UNITED STATES OFFERS AND SALES

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

"**affiliate**" means "**affiliate**" as that term is defined in Rule 405 under the U.S. Securities 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 "A", 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 any of the Offered Securities and shall include, without limitation, the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of the Offered Securities;

"**Foreign Issuer**" means "foreign issuer" as that term is defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it includes a corporation or other organization incorporated or organized under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (a) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States, and (b) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

"**General Solicitation**" and "**General Advertising**" means "general solicitation" and "general advertising", respectively, as those terms are used in Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine, on the Internet or similar media or broadcast over television, radio or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"**Offshore Transactions**" means "offshore transactions" as that term is defined in Rule 902(h) of Regulation S;

"**QIB Certificate**" means the written confirmation, in substantially the form attached as Exhibit A to the U.S. Private Placement Memorandum, to be signed and delivered by each purchaser of Offered Securities acquiring Offered Securities from an Underwriter acting through a U.S. Affiliate thereof pursuant to Rule 144A;

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

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

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

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

**"Selling Group"** means the Underwriters and the U.S. Affiliates.

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

**"U.S. Purchaser"** means any purchaser of the Offered Units that (a) is in the United States or a U.S. Person, (b) is purchasing the Offered Units for the account or benefit of any U.S. Person or any person in the United States, (c) receives or received an offer of the Offered Units while in the United States, or (d) is or was (or its authorized signatory is or was) in the United States at the time the purchaser's buy order was made;

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. Each Underwriter represents and warrants to the Corporation that, as of the date of this Agreement, the Closing Date and any Over-Allotment Closing Date:
  - (a) it acknowledges that the Offered Securities and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or any applicable securities laws of any state of the United States, and the Offered Securities may not be offered or resold within the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, except by the Underwriters through their U.S. Affiliates pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and in compliance with all applicable securities laws of any state of the United States. It has not offered or resold, and will not offer or resell, any of the Offered Securities except (A) in accordance with this Schedule "A" and the Agreement, or (B) outside the United States in Offshore Transactions in compliance with Rule 903 of Regulation S. Accordingly, except in connection with offers and resales pursuant to Rule 144A in accordance with this Schedule "A", or as permitted by Rule 903 of Regulation S, neither it nor its affiliates, including the U.S. Affiliates, nor any persons acting on its or their behalf has made or will make (i) any offer to sell or resell Offered Securities to or solicitation of an offer to buy Offered Securities from a person in the United States, a U.S. Person or a person acting for the account or benefit of a U.S. Person or a person in the United States, or (ii) any sale of Offered Securities unless at the time the purchaser's buy order was or will be originated the purchaser was outside the United States, not a U.S. Person and not acting for the account or benefit of a U.S. Person or person in the United States or it, and its U.S. Affiliate or any persons acting on its or their behalf reasonably believed that the purchaser was outside the United States, not a U.S. Person and not acting for the account or benefit of a U.S. Person or person in the United States;
  - (b) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities, except with its U.S. Affiliate, any Selling Group members or with the prior written consent of the Corporation;
  - (c) it shall require each Selling Group member to agree, for the benefit of the Corporation, to comply with, and shall use its commercially reasonable efforts to ensure that each Selling Group member complies with, the applicable provisions of this Schedule "A" as if such provisions applied to such Selling Group member; and

- (d) it will not receive any commission or other remuneration for soliciting, or otherwise in connection with, any exercise of the Warrants or any Additional Warrants.
2. Each Underwriter covenants to and agrees with the Corporation that:
- (a) all offers and sales of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States have been and will be effected through one or more of the U.S. Affiliates acting as principal, and in all such cases in compliance with all applicable United States federal and state laws relating to the registration and conduct of securities brokers and dealers and all applicable securities laws of any state of the United States;
  - (b) each U.S. Affiliate offering Offered Securities to Qualified Institutional Buyers pursuant to Rule 144A is a Qualified Institutional Buyer, and each U.S. Affiliate is and on the date of each offer and resale of Offered Securities in the United States, or to, or for the account or benefit of, U.S. Persons or persons in the United States, was and will be duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the laws of each state of the United States in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements), and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc.;
  - (c) it, its affiliates, including the U.S. Affiliates, and any persons acting on its or their behalf has not solicited, offered, or offered to resell, and will not solicit offers for, or offer to resell, either directly or through a U.S. Affiliate, the Offered Securities in the United States, or to, or for the account or benefit of, U.S. Persons or persons in the United States, by means of any form of General Solicitation or General Advertising, or any means involving a public offering (within the meaning of Section 4(a)(2) of the U.S. Securities Act), and neither it nor its affiliate(s), including the U.S. Affiliates, nor any persons acting on its or their behalf have engaged or will engage in any Directed Selling Efforts with respect to the Offered Securities offered and sold pursuant to Rule 903 of Regulation S;
  - (d) it, its affiliates, including the U.S. Affiliates, and any persons acting on its or their behalf has not taken and will not take any action that would cause the exemptions from the registration requirements of the U.S. Securities Act provided by Rule 144A to be unavailable for offers and sales of the Offered Securities in the United States, to U.S. Persons, or to persons acting for the account or benefit of U.S. Persons or persons in the United States or the exclusion from the registration requirements of the U.S. Securities Act provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities outside the United States.
  - (e) it will solicit, and will cause each U.S. Affiliate to solicit, offers for the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States only from, and will offer the Offered Securities only to, and it and they have offered and solicited only from and to, persons it reasonably believes, and immediately prior to making any such offer, it had reasonable grounds to believe and did believe, to be a Qualified Institutional Buyer, and at the time of completion of each sale of Offered Securities in the United States or to, or for the account or benefit of, such U.S. Person or person in the United States, the Underwriter, its U.S. Affiliate, and any person acting on

its or their behalf will have reasonable ground to believe and will believe, that each U.S. Purchaser thereof is a Qualified Institutional Buyer;

- (f) it will inform, or cause each U.S. Affiliate to inform, all U.S. Purchasers, that the Offered Securities have not been and will not be registered under the U. S. Securities Act and are being offered and resold to them without registration under the U. S. Securities Act in reliance upon Rule 144A and in compliance with, or pursuant to an exemption from, the registration or qualification requirements of all applicable securities laws of any state of the United States;
- (g) it will inform, or cause each U.S. Affiliate to inform, all U.S. Purchasers that the Offered Securities are “restricted securities” as defined in Rule 144(a)(3) under the U.S. Securities Act and will not be represented by certificates that bear a U.S. restricted legend or identified by a restricted CUSIP number, are subject to restrictions if in the future it decides to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of such Offered Securities as set forth in the U.S. Private Placement Memorandum and QIB Certificate (Exhibit I to the U.S. Private Placement Memorandum), and that it must implement appropriate internal controls and procedures to ensure that the transfer restrictions and any representation, warranty and covenant described in the U.S. Private Placement Memorandum and QIB Certificate are adhered to notwithstanding the absence of a U.S. restricted legend or restricted CUSIP number;
- (h) it has delivered or will deliver, through a U.S. Affiliate, a copy of either (i) the U.S. Private Placement Memorandum which shall include the Final Prospectus (together, the "**U.S. Offering Documents**") or (ii) the U.S. Private Placement Memorandum which shall include the Preliminary Prospectus, to each person in the United States or that is, or is acting for the account or benefit of, a U.S. Person or person in the United States to which it has offered Offered Securities. Prior to any sale by it of Offered Securities in the United States, it will deliver, through a U.S. Affiliate, a copy of the U.S. Offering Documents to the U.S. Purchaser of such Offered Securities and no other written material has been or will be used in connection with offers or sales of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States;
- (i) it shall cause each U.S. Affiliate to agree, for the benefit of the Corporation, to the same provisions as are contained in paragraphs 1, 2 and 3 of this Schedule ‘A’;
- (j) at least one business day prior to each closing, it shall cause each U.S. Affiliate to provide the Corporation with (i) a list of all U.S. Purchasers of the Offered Securities and (ii) a duly completed and executed QIB Certificate from each such U.S. Purchaser;
- (k) at each closing, it and its U.S. Affiliates that participated in the offer of Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, will either (i) provide a certificate, substantially in the form of Annex 1 to this Schedule "A", relating to the manner of the offer and sale of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, or (ii) be deemed to have represented and warranted to the Corporation as of the closing time that neither it nor they offered or sold any Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States; and

- (l) none of it, any of its affiliates or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U. S. Exchange Act in connection with the offer and sale of the Offered Securities.
3. It is understood and agreed by the Underwriters that the sale of the Offered Securities in the United States, or to or for the account of U.S. Persons or persons in the United States, will be made only by the Underwriters or their respective U.S. Affiliates, acting as agents, pursuant to Rule 144A to persons who are, or are reasonably believed by them to be, Qualified Institutional Buyers, in compliance with any applicable securities laws of any state of the United States, provided that prior to any such sale each purchaser shall have been provided with the U.S. Offering Documents and such purchaser shall have made the representations, warranties and agreements set forth in the QIB Certificate.
4. The Corporation represents, warrants, covenants and agrees to and with the Underwriters that:
  - (a) it is, and at each closing will be, a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in its Common Shares;
  - (b) it is not, and after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Final Prospectus, will not be registered or required to register as an "investment company" pursuant to the provisions of the United States Investment Company Act of 1940, as amended;
  - (c) at the Closing Date, the Offered Securities will not be (A) part of a class listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, (B) quoted in a U.S. "automated inter-dealer quotation system" as such term is used in the U.S. Exchange Act, or (C) convertible or exchangeable at an effective conversion premium (calculated as specified in Section (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted;
  - (d) for so long as any Offered Securities which have been sold to U.S. Purchasers in reliance upon Rule 144A are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of, or exempt from reporting pursuant to Rule 12g3-2(b) under, the U.S. Exchange Act, the Corporation will furnish to any holder of the Offered Securities in the United States and any prospective purchaser of the Offered Securities designated by such holder in the United States, upon request of such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of the Offered Securities to effect resales under Rule 144A);
  - (e) none of the Corporation, its affiliates or any persons acting on its or their behalf (other than the Underwriters, their respective affiliates, including the U.S. Affiliates, or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) (i) has offered or sold or will offer or sell the Offered Securities except through the Underwriters and the U.S. Affiliates in compliance with this Schedule "A", or (ii) has taken or will take any action that would cause the exemptions or exclusions from registration provided by Rule 903 of Regulation S or Rule 144A to be unavailable with respect to offers and sales of the Offered Securities pursuant to this Schedule "A";

- (f) the Corporation has not sold, offered for sale or solicited any offer to buy, and will not sell, offer for sale or solicit any offer to buy, any of its securities in the United States, or to, or for the account or benefit of, U.S. Persons or persons in the United States, in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemptions from registration set forth in Rule 144A (or Rule 506(b) of Regulation D with respect to exercises of Warrants and any Additional Warrants) or the exclusion from registration set forth in Rule 903 of Regulation S to become unavailable with respect to offers and sales of the Offered Securities contemplated hereby;
- (g) none of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Underwriters, their respective affiliates, including the U.S. Affiliates, or any person acting on any of their behalf, in respect of which no representation is made) (i) has engaged in or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the Offered Securities in the United States or engaged in any means involving a public offering (within the meaning of Section 4(a)(2) of the U.S. Securities Act); (ii) has made or will make any Directed Selling Efforts; or (iii) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities; and
- (h) with respect to any Warrant Shares or any Additional Warrant Shares to be offered and sold in reliance on Rule 506(b) of Regulation D, upon exercise of the Warrants or any Additional Warrants sold pursuant to Rule 144A in compliance with this Schedule “A”, none of the Corporation, any of its predecessors, any director, executive officer, other officer of the Corporation participating in such offering, any beneficial owner of 20% or more of the Corporation’s outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale (each, an “Issuer Covered Person” and, together, “Issuer Covered Persons”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a “Disqualification Event”), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Corporation has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Corporation has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Underwriters a copy of any disclosures provided thereunder.

**ANNEX 1 TO SCHEDULE "A"**  
**UNDERWRITERS' CERTIFICATE**

In connection with the private placement of units (the "**Offered Securities**") of Numinus Wellness Inc. (the "**Corporation**") in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, the undersigned, being one of the several Underwriters referred to in the underwriting agreement dated as of December 10, 2020 among the Corporation and the Underwriters (the "**Underwriting Agreement**"), and the registered broker-dealer affiliate in the United States for such Underwriter (the "**U.S. Affiliate**"), do hereby certify that:

- (a) the U. S. Affiliate is, and was on the date of each offer and sale of Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the laws of each state of the United States in which such offer or sale was made (unless exempted from the respective state's broker-dealer registration requirements), and is and was a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc., and all offers and sales of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States have been and will be effected by the U.S. Affiliate in accordance with all U.S. broker-dealer requirements;
- (b) we acknowledge that the Offered Securities have not been registered under the U.S. Securities Act or any applicable securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable securities laws of each state of the United States;
- (c) neither we nor our representatives have utilized, and neither we nor our representatives will utilize, any form of General Solicitation or General Advertising in connection with the offer of the Offered Securities within the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States nor have we solicited offers for or offered to sell or sold the Offered Securities by any means involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (d) no Directed Selling Efforts were engaged in by us with respect to the offer or sale of the Offered Units by us;
- (e) each offeree was provided with the U.S. Offering Documents, and we have not used and will not use any written material other than the U.S. Offering Documents and the U.S. Private Placement Memorandum which included the Preliminary Prospectus;
- (f) immediately prior to transmitting any of the foregoing materials to offerees, we had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer, and on the date hereof, we continue to believe that each U.S. Purchaser that purchases Offered Securities from us is a Qualified Institutional Buyer;

- (g) we have caused each U.S. Purchaser to execute and deliver a QIB Certificate (Exhibit I to the U.S. Private Placement Memorandum), including any schedules and exhibits attached thereto, and have delivered such properly completed and executed QIB Certificate;
- (h) neither we nor any of our affiliates have taken or will take any action which would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer or sale of the Offered Securities; and
- (i) the offering of the Offered Securities has been conducted by us in accordance with the Underwriting Agreement, including Schedule “A” to the Underwriting Agreement.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

**[INSERT NAME OF UNDERWRITER]**

**[INSERT NAME OF U.S. AFFILIATE]**

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:  
Title