

# SECURED CONVERTIBLE DEBENTURE INVESTMENT AGREEMENT

BETWEEN

**Vision Leader Limited**

AND

**Resverlogix Corp.**

September 26, 2019

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## SECURED CONVERTIBLE DEBENTURE INVESTMENT AGREEMENT

THIS SECURED CONVERTIBLE DEBENTURE INVESTMENT AGREEMENT is made effective as of September 26, 2019 between:

**Vision Leader Limited** (the “**Investor**”), a limited company existing under the laws of Hong Kong

- and -

**Resverlogix Corp.**, (the “**Corporation**”) a corporation existing under the laws of the Province of Alberta

- and -

**Resverlogix Inc.**, (the “**US Subsidiary**”) a corporation existing under the laws of Delaware

WHEREAS:

- A. the Investor, is prepared to make the Secured Convertible Debenture Investment, subject to the terms and conditions of this Agreement and the Secured Convertible Debenture; and
- B. the Corporation’s board of directors has unanimously resolved that the Corporation enter into this Agreement providing for, among other things, the Secured Convertible Debenture Investment.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

Any capitalized terms used in this Agreement that are not expressly defined herein shall have the meanings attributed to them in the Loan Agreement, and such definitions are hereby incorporated by reference into this Agreement.

Except as set out in the foregoing sentence, in this Agreement (including the recitals hereto), unless there is something in the subject matter or context inconsistent therewith:

- (a) “**Affiliate**” has the meaning ascribed thereto in NI 45-106.
- (b) “**Agreement**” means this Secured Convertible Debenture Investment Agreement (and not any particular Article or Section of this Secured Convertible Debenture Investment Agreement), and includes the Schedule to this Secured Convertible Debenture Investment Agreement.
- (c) “**Applicable Securities Laws**” means all applicable securities laws in each of the provinces of Canada and the respective regulations and rules under such laws together with applicable published policy statements of the Canadian Securities Administrators and the securities regulatory authorities in the provinces of Canada, and the applicable rules and policies of the TSX.

- (d) **"ASC"** means the Alberta Securities Commission.
- (e) **"Business Day"** means any day except a Saturday, Sunday or statutory holiday in Calgary, Alberta or Hong Kong.
- (f) **"Closing Date"** means September 26, 2019 or such other date as the Investor, and the Corporation may agree upon in writing, but in any event not later than September 27, 2019.
- (g) **"Closing Time"** means 10:00 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as the Investor, and the Corporation may agree upon.
- (h) **"Common Shares"** means common shares in the capital of the Corporation.
- (i) **"Corporation"** means Resverlogix Corp., a corporation existing under the laws of the Province of Alberta.
- (j) **"Governmental Entity"** means any (i) multinational, federal, provincial, territorial, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- (k) **"Investor"** means Vision Leader Limited, a limited company incorporated under the laws of Hong Kong.
- (l) **"Loan Agreement"** means the loan agreement between the Corporation, as borrower, and certain parties as Guarantors, certain parties as lenders and Third Eye Capital Corporation as agent for the lenders dated as of May 4, 2018, as amended and as may be amended from time to time.
- (m) **"Material Adverse Effect"** means a material adverse effect on (a) the business, operations, assets, properties, financial condition, Contingent Obligations, prospects or Material Contracts of the Corporation taken as a whole, (b) the value of the Collateral or any material portion thereof, (c) the Security or the priority of the Security, (d) the respective ability of the Corporation or any person who guarantees payment or performance of any amounts owing in respect of the Secured Convertible Debenture Investment to perform any material obligations under this Agreement or any other Loan Document, or (e) the rights and remedies of or benefits available to the Investor, or the validity or enforceability of, any Loan Document; provided, however, that a Material Adverse Effect does not include a change or effect caused by the top-line results of the Company's Phase III BETonMACE clinical trial.
- (n) **"NI 45-106"** means National Instrument 45-106 – *Prospectus Exemptions*.
- (o) **"Parties"** means the Corporation, the US Subsidiary, each Obligor and the Investor; and **"Party"** means the applicable one of them.
- (p) **"Person"** means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government, government body or agency or other entity.
- (q) **"Secured Convertible Debenture"** means the \$12,000,000 aggregate principal amount of 10% secured convertible subordinated debenture of the Corporation on such terms as are set forth in the Secured Convertible Debenture attached as Schedule "A" hereto.

- (r) **"Secured Convertible Debenture Investment"** means the purchase by the Investor and the Corporation's sale of, (i) the Secured Convertible Debenture; and (ii) the Warrants pursuant to the terms of this Agreement.
- (s) **"Securities Authorities"** means the securities commissions or similar regulatory authorities in Canada and each of the provinces thereof.
- (t) **"Security Documents"** means each of the following: (i) a general security agreement and intellectual property security agreement signed by the Corporation constituting a first ranking security interest in all property of the Corporation; (ii) an unlimited guarantee from each subsidiary of the Corporation supported by a general security agreement and intellectual property security agreement from each such subsidiary granting a first ranking security interest in all property of such subsidiary, (c) each other writing, instrument, document or agreement executed and delivered by any Person securing the Obligations or any part thereof.
- (u) **"SEDAR"** means the System for Electronic Document Analysis and Retrieval (SEDAR) as further described within National Instrument 13-101.
- (v) **"TSX Approval"** means the conditional acceptance of the Toronto Stock Exchange in respect of the Secured Convertible Debenture Issuance.
- (w) **"US Subsidiary"** means Resverlogix Inc., a wholly owned subsidiary of the Corporation existing under the laws of Delaware.
- (x) **"Warrants"** means 600,000 warrants, each of which entitles the holder to purchase one Common Share on such terms as are set forth in the Warrant Certificate attached as Schedule "B" hereto.

## 1.2 Interpretation

Unless the context otherwise requires, the following provisions will govern the interpretation of this Agreement:

- (a) the words "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule, and other references are to those contained in or attached to this Agreement unless otherwise specified;
- (b) each reference to "days" in this Agreement means calendar days, unless the term "Business Days" shall be used. Each reference to a time of day in this Agreement means that time in Calgary, Alberta, unless otherwise specified. In computation of periods of time in this Agreement from a specified date to a later specified date, the word "from" means "from and excluding" and the words "to" and "until" each means "to and including";
- (c) the words "include", "including" and similar expressions mean "including but not limited to";
- (d) the meanings given to terms defined in this Agreement apply to both the singular and plural forms of those terms;
- (e) except as otherwise specified in this Agreement, each reference in this Agreement to a statute, requirement of law or governmental consent shall be deemed to refer to such statute, requirement of law or governmental consent as the same may be amended, supplemented or otherwise modified from time to time;

- (f) except as otherwise specified in this Agreement, each reference in this Agreement to any agreement (including a reference to this Agreement):
  - (i) includes all schedules, exhibits, annexes or other attachments thereto and any agreements expressly incorporated by reference into this Agreement; and
  - (ii) refers to that agreement as it may be amended, supplemented or otherwise modified from time to time;
- (g) each reference in this Agreement to a Party shall be deemed to include that Party's permitted successors and assigns;
- (h) unless otherwise specified, all references in this Agreement to "Dollars" or "\$" are to the lawful money of the United States of America;
- (i) where in this Agreement a term is defined, a derivative of that term shall have a corresponding meaning;
- (j) the headings of Sections, Articles or Schedules will not be considered in interpreting the text of this Agreement; and
- (k) any reference to a statute, act or law will include and will be deemed to be a reference to such statute, act or law and to the regulations, instruments and policies made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute, act or law that may be passed which has the effect of supplementing or superseding such statute, act or law so referred to.

### **1.3 Date for any Action**

In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day that action shall be required to be taken on the next succeeding day which is a Business Day.

### **1.4 Governing Law**

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

### **1.5 Incorporation of Schedule**

The following Schedule shall form part of this Agreement:

- Schedule "A" Form of Secured Convertible Debenture
- Schedule "B" Form of Warrant Certificate
- Schedule "C" Disclosure Schedule

## **ARTICLE 2 THE SECURED CONVERTIBLE DEBENTURE INVESTMENT**

### **2.1 The Secured Convertible Debenture Investment by the Investor**

Subject to the terms and conditions of this Agreement, the Investor, hereby subscribes for and agrees to purchase: (i) the Secured Convertible Debenture on the Closing Date at a price of \$100 per \$100 principal

amount of the Secured Convertible Debenture for a total purchase price of \$12,000,000; and (ii) 600,000 Warrants.

## **2.2 Acceptance of the Secured Convertible Debenture Investment by the Corporation**

The Corporation hereby accepts the subscription by the Investor, and agrees to issue the Secured Convertible Debenture and Warrants to the Investor, on the Closing Date in accordance with the provisions of this Agreement, the Secured Convertible Debenture and the Warrants.

## **2.3 Statutory Transfer Restrictions**

The Secured Convertible Debenture and Warrants have not been and will not be qualified for sale to the public under Applicable Securities Laws and, accordingly, the offer and sale of the Secured Convertible Debenture and Warrants is being made on a basis which is exempt from the prospectus requirements of Applicable Securities Laws.

The Investor, acknowledges that the Secured Convertible Debenture and Warrants will be subject to transfer restrictions pursuant to Section 2.5 of National Instrument 45-102 – *Resale of Securities* and may not be transferred in Canada before the date that is four months and one day after the Closing Date except pursuant to an exemption from the prospectus requirements of Applicable Securities Laws and that the certificates representing the Secured Convertible Debenture and Warrants will bear the below legend as per Section 2.5(2)(3(i)) of National Instrument 45-102 – *Resale of Securities*:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE [4 MONTHS + 1 DAY AFTER THE CLOSING DATE]”

## **ARTICLE 3 PUBLICITY**

### **3.1 Press Releases**

Each Party shall provide to the other the text of any press release it proposes to issue in relation to the Secured Convertible Debenture Investment and such text shall be in a form mutually agreed to by the Parties acting reasonably. The Corporation shall file or cause to be filed, where required, a copy of the press release and a material change report describing the principal terms of this Agreement with the Securities Authorities having jurisdiction over the Corporation as soon as possible after the issuance of the press release and in any event within the time periods set out in Applicable Securities Laws.

### **3.2 Publicity**

Except for the press releases provided for in Section 3.1, none of the Parties shall issue, or permit any of its Affiliates, directors, officers, employees or agents to issue any other press release or other written statement to the press with respect to this Agreement or the transactions contemplated hereby without the prior written consent of the other Party, that consent not to be unreasonably withheld. Notwithstanding the foregoing, either Party may issue a press release or other written statement prior to obtaining that consent from the other Party if on the advice of counsel that action is required by applicable law or by obligations pursuant to any listing agreement with a stock exchange, but only after using its reasonable commercial efforts to consult with the other Party taking into account the time constraints to which it is subject as a result of that law or obligation. The Investor acknowledges, agrees and consents to the Corporation filing this Agreement and the Secured Convertible Debenture on SEDAR.

### 3.3 Promotional

The Investor shall be entitled to make reference to the Corporation (including the Corporation's logo) and the Secured Convertible Debenture Investment in any medium, any sales literature, promotional or other marketing information without the prior written consent of the Corporation.

## ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

### 4.1 Representations and Warranties

The Investor, hereby represents and warrants to the Corporation as follows and acknowledge that the Corporation is relying on these representations and warranties in entering into this Agreement:

- (a) The Investor is resident in the jurisdiction of Hong Kong (the "**Foreign Jurisdiction**") and the Investor certifies that it and (if applicable) any other purchaser for whom it is acting hereunder is not resident in or otherwise subject to applicable securities laws of any province or territory of Canada.
- (b) The Investor and (if applicable) any other purchaser for whom it is acting hereunder, is a purchaser which is purchasing Secured Convertible Debenture and Warrants pursuant to an exemption from any prospectus or securities registration, disclosure or similar requirements under the applicable securities laws of the Foreign Jurisdiction or any other securities laws to which the Investor and (if applicable) any other purchaser for whom the Investor is acting hereunder are otherwise subject.
- (c) The Investor, has full corporate capacity, power and authority to enter into this Agreement and to perform its obligations set out herein and this Agreement has been duly authorized, executed and delivered by the Investor, and this Agreement is a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms subject to the general qualifications that:
  - (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; and
  - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;
- (d) The Investor, acknowledges that its personal information may be disclosed by the Corporation to: (i) stock exchanges and/or Securities Authorities (including the ASC); (ii) Canadian tax authorities; (iii) any of the other parties involved in the Secured Convertible Debenture Investment, including legal counsel; and (iv) the Corporation's lenders and their counsel. By executing this Agreement, the Investor:
  - (i) consents to the foregoing collection, use and disclosure of personal information;
  - (ii) consents to the filing of copies or originals of any documents delivered in connection with this Agreement as may be required to be filed with any stock exchange or Securities Authority in connection with the transactions contemplated hereby; and
  - (iii) acknowledges that it has been notified by the Corporation (i) of the requirement to deliver to the ASC the full name, residential address and telephone number of the purchaser of the securities, the number and type of securities purchased, the total purchase price, the exemption relied upon and the date of distribution; (ii) that this

information is being collected indirectly by the ASC under the authority granted to it in securities legislation; (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Alberta; and (iv) that the ASC can be contacted at Alberta Securities Commission, Suite 600, 250 – 5th Street SW, Calgary, Alberta T2P 0R4, or at (403) 297-6454, and can answer any questions about the ASC's indirect collection of this information.

#### **4.2 Survival of Representations and Warranties**

The representations and warranties of the Investor, contained in this Agreement, or in any certificate or other document furnished by or on behalf of the Investor, on the Closing Date or pursuant hereto, shall survive the completion of the Secured Convertible Debenture Investment herein provided for and, notwithstanding that closing or any documents delivered or investigations made in connection therewith, shall continue in full force and effect for the benefit of the Corporation.

### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE CORPORATION**

#### **5.1 Representations and Warranties**

To induce the Investor to enter into this Agreement and to make the Secured Convertible Debenture Investment, each of the Corporation, the US Subsidiary and each Obligor represents and warrants, for itself and for and on behalf of its Subsidiaries, as of the Closing Date and while any amounts under the Secured Convertible Debenture remain outstanding, as follows:

- (a) The provisions of Article IV – *Representations and Warranties* of the Loan Agreement (and applicable disclosure schedules), excluding Section 4.22, are hereby incorporated by reference into this Agreement, *mutatis mutandis*, with such qualifications or clarifications as are set forth in the disclosure schedule appended to this Agreement at Schedule “C”.

#### **5.2 Survival of Representations and Warranties**

The covenants, agreements, representations and warranties of the Corporation, the US Subsidiary and each Obligor contained in this Agreement, or in any certificate or other document furnished by or on behalf of the Corporation or any such parties, on the Closing Date or pursuant hereto, shall survive closing of the Secured Convertible Debenture Investment and, notwithstanding that closing or any documents delivered or investigations made in connection therewith, shall continue in full force and effect for the benefit of the Investor.

### **ARTICLE 6 COVENANTS OF THE CORPORATION**

#### **6.1 Affirmative Covenants of the Corporation**

Except with the prior written consent of the Investor, until this Agreement has been terminated and all amounts outstanding under the Secured Convertible Debenture have been paid in full, each of the Corporation, the US Subsidiary and each Obligor covenants and agrees with the Investor as follows:

- (a) The provisions of Article V – *Affirmative Covenants* of the Loan Agreement (and applicable disclosure schedules) are hereby incorporated by reference into this Agreement, *mutatis mutandis*, excluding Sections 5.1, 5.20 and 5.21.
- (b) No brokerage commission or finders' fees have been incurred in connection with or as a result of the Corporation entering into this Agreement. The Corporation agrees to

indemnify, defend, and hold the Investor harmless from and against any claim of any broker or finder arising out of this Agreement and the Secured Convertible Debenture Investment.

- (c) On or before September 30, 2019, the Corporation shall receive top-line results from its Phase III BETonMACE clinical trial (“Effect of RVX-208 on Time to Major Adverse Cardiovascular Events in High-Risk Type 2 Diabetes Mellitus Subjects with Coronary Artery Disease”). If the Clinical Steering Committee for the Phase III BETonMACE clinical trial determines, based on its planned sample size re-estimation analysis, that it is advisable to enroll additional patients in the trial then the Corporation shall provide the Investor with top-line results from the trial as soon as practicable.
- (d) The Obligors shall complete, to the Investor’s satisfaction, each of their covenants and undertakings as are set forth in the disclosure schedule appended to this Agreement at Schedule “C”, in each case within the time limits specified in such schedule (unless the Investor, in its discretion, shall have agreed to any particular longer period).

## **6.2 Negative Covenants of the Corporation**

Except with the prior written consent of the Investor, until this Agreement has been terminated and all amounts outstanding under the Secured Convertible Debenture have been paid in full, each of the Corporation, the US Subsidiary and each Obligor covenants and agrees with the Investor as follows:

- (a) The provisions of Article VI – *Negative Covenants* of the Loan Agreement (and applicable disclosure schedules) are hereby incorporated by reference into this Agreement, *mutatis mutandis*, excluding Section 6.6.

## **6.3 Use of Proceeds; Repayment of amounts under the Loan Agreement**

The Corporation shall use the proceeds of the Secured Convertible Debenture Investment along with other cash on hand to redeem and repay in full all of the obligations existing under the Loan Agreement;

## **6.4 Reimbursement of Expenses**

The Corporation shall reimburse the Investor and its Affiliates promptly upon receipt of invoices for all reasonable out-of-pocket fees and expenses (including, without limitation, legal fees and expenses) of the Investor and its Affiliates and all reasonable printing, reproduction, document delivery and communication costs incurred in connection with the execution of this Agreement and the preparation, review, negotiation, execution and delivery of the Secured Convertible Debenture Investment and all documents or instruments required to effect the purpose of this Agreement and the Secured Convertible Debenture Investment.

## **6.5 Filings**

The Corporation shall, as promptly as practicable hereafter, prepare and file any filings required by Applicable Securities Laws or any other applicable law relating to the transactions contemplated herein.

# **ARTICLE 7 DEFAULT, MUTUAL COVENANTS AND ACKNOWLEDGEMENTS**

## **7.1 Events of Default**

Each of the Corporation, the US Subsidiary and each Obligor agrees and acknowledges that the provisions of Article 8 – *Default* of the Secured Convertible Debenture are hereby incorporated by reference into this Agreement, *mutatis mutandis*.

## **7.2 Additional Agreements**

Subject to the terms and conditions herein provided and to fiduciary obligations under applicable law, each Party agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to cooperate with the other Party in connection with the foregoing, including using commercially reasonable efforts to:

- (a) obtain all necessary consents, approvals and authorizations as are required to be obtained under Applicable Securities Laws and all other applicable laws, regulations and rules;
- (b) effect all necessary registrations and other filings and submissions of information required or requested by any Governmental Entity; and
- (c) fulfill all conditions and satisfy all provisions of this Agreement and the Secured Convertible Debenture Investment.

## **ARTICLE 8 CONDITIONS PRECEDENT**

### **8.1 Investor's Conditions Precedent to Completing the Secured Convertible Debenture Investment**

The following are conditions precedent to the obligations of the Investor, to complete the Secured Convertible Debenture Investment, which conditions may be waived in writing in whole or in part by the Investor, at any time. If any of the conditions are not met, the Investor, may terminate their obligations under this Agreement in accordance with Article 10 and not complete the Secured Convertible Debenture Investment without prejudice to any other remedies they may have. At the Closing Time:

- (a) the Corporation shall have received the TSX Approval, subject only to customary post-closing deliveries;
- (b) the terms and conditions of the Secured Convertible Debenture and the Warrants shall be substantially as set out in each of the form of Secured Convertible Debenture attached as Schedule "A" and the form of Warrant Certificate attached as Schedule "B" hereto, respectively, hereto or as otherwise agreed to by the Investor, and the Corporation;
- (c) the Investor shall have received, in form and substance satisfactory to it, each of the following, duly issued, created and/or executed:
  - (i) the Secured Convertible Debenture;
  - (ii) the Warrants;
  - (iii) Guarantee executed by Resverlogix Inc.;
  - (iv) each of the Security Documents;
  - (v) pay-out and discharge letter from Third Eye Capital Corporation;
  - (vi) releases or discharges covering all liens or encumbrances affecting any of the Collateral, to ensure that all obligations of the Investor are secured by a first priority security interest;

- (vii) each Obligor's resolutions, together with an officer's certificate from each such entity;
  - (viii) all releases, terminations, agreements and other documents as the Investor may request to effect and evidence termination of all Liens other than Permitted Liens; and
  - (ix) such other documents as the Investor may require.
- (d) the Investor, will have received, evidence of insurance from an insurer acceptable to the Investor and lender's loss payee endorsements and/or certificates of insurance naming the Investor as lender's loss payee and additional insured, in form and substance satisfactory to the Investor;
  - (e) confirmation by the Obligors (pursuant to Officer's Certificate) that all consents and approvals to the issuance of, and the performance of the obligations under or in connection with this Agreement, the Warrants and all related legal and security documentation, have been obtained, including regulatory, third party, shareholder, and board approvals;
  - (f) the Investor, will have received evidence, in form and substance satisfactory to it, that the Investor has a valid perfected first priority security interest, in all Collateral, other than as may be set forth at Schedule "C" in respect of Section 6.1(d);
  - (g) the Investor shall have completed its business, collateral and legal due diligence, the results of all of which shall be satisfactory to the Investor;
  - (h) all covenants and obligations herein are complied with, and no Default or Event of Default shall have occurred and be continuing and no Material Adverse Effect has or could be reasonably expected to have occurred;
  - (i) all representations and warranties of the Corporation and the Guarantor set forth in Article 5 shall be true and correct in all respects;
  - (j) the Corporation shall have paid all reasonable fees and expenses of the Investor in connection with the transactions contemplated thereby;
  - (k) the Investor, will have received, with respect to such matters as it may reasonably request, legal opinions dated as of the Closing Date from counsel to the Corporation and the US Subsidiary, acceptable in form and substance to the Investor's counsel, acting reasonably, as to matters of Alberta law and the federal laws of Canada and matters of Delaware law and the federal laws of the United States of America, pertaining to inter alia, corporate matters, valid security interest and perfection, registration of security, and enforceability of this Agreement, the Secured Convertible Debenture and related Security Documents;
  - (l) the Investor, shall have received a certificate of the Corporation, dated the Closing Date, signed on behalf of the Corporation by the Chief Executive Officer and the Chief Financial Officer of the Corporation or such other senior officers of the Corporation satisfactory to the Investor, certifying that:
    - (i) no order, ruling or determination, or change in law, having the effect of preventing, restricting, suspending the sale or distribution of the Secured Convertible Debenture or Warrants, or suspending or ceasing the trading of any securities of the Corporation has been issued by any Governmental Entity and is continuing in effect and no inquiry (whether formal or informal) or other proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers,

contemplated or threatened under any of Applicable Securities Laws or by any Governmental Entity;

- (ii) the Corporation has complied with and satisfied in all material respects all covenants, terms and conditions of this Agreement to be complied with or satisfied at or prior to the Closing Time; and
  - (iii) the representations and warranties of the Corporation contained in Section 5.1 are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time, except for such representations and warranties which are made as of a specific date other than the Closing Date;
- (m) except for frivolous actions or proceedings by a Person other than a Governmental Entity, there are no actions, claims or proceedings, in progress, or to the knowledge of the Corporation or the Investor, pending or threatened, by any Person in any jurisdiction, to enjoin, restrict or prohibit the issuance of the Secured Convertible Debenture and Warrants; and
- (n) there shall not have been a Material Adverse Effect since the date of this Agreement.

The foregoing conditions set forth in this Section 8.1 are for the exclusive benefit of the Investor, and may be waived by the Investor, in whole or in part, in its sole discretion, at any time and from time to time.

## **8.2 Corporation's Conditions Precedent to Completing the Secured Convertible Debenture Investment**

The following are conditions precedent to the obligations of the Corporation to complete the Secured Convertible Debenture Investment, which conditions may be waived in writing in whole or in part by the Corporation at any time. If any of the conditions are not met, the Corporation may terminate its obligations under this Agreement in accordance with Article 10 and not complete the Secured Convertible Debenture Investment without prejudice to any other remedies it may have. At the Closing Time:

- (a) the Corporation shall have received the TSX Approval, subject only to customary post-closing deliveries; and
- (b) the terms and conditions of the Secured Convertible Debenture and the Warrants shall be substantially as set out in each of the form of Secured Convertible Debenture attached as Schedule "A" and the form of warrant certificate attached as Schedule "B" hereto, respectively, hereto or as otherwise agreed to by the Corporation and the Investor.

The foregoing conditions set forth in this Section 8.2 are for the exclusive benefit of the Corporation and may be waived by the Corporation, in whole or in part, in its sole discretion, at any time and from time to time.

## **ARTICLE 9 CLOSING**

### **9.1 Place of Closing**

The completion of the Secured Convertible Debenture Investment shall take place at the Closing Time on the Closing Date, or at such other time and place as the Corporation and the Investor, may agree upon.

## **9.2 Closing Deliveries by the Corporation**

On the Closing Date, the Corporation shall execute and deliver or cause to be executed and delivered to the Investor, in form and substance satisfactory to the Investor, acting reasonably:

- (a) a copy of the TSX Approval, subject only to customary post-closing deliveries;
- (b) the documents required pursuant to Section 8.1;
- (c) the originally executed Secured Convertible Debenture;
- (d) the originally executed certificate representing the Warrants; and
- (e) all documents and certificates required to be delivered pursuant to the Secured Convertible Debenture.

## **9.3 Closing Deliveries by the Investor**

On the Closing Date, the Investor, shall deliver or cause to be delivered \$12,000,000 in immediately available funds as directed by the Corporation.

# **ARTICLE 10 TERMINATION**

## **10.1 Termination by the Investor.**

- (a) The Investor, may terminate and cancel its obligations under this Agreement, without any liability on its part, if:
  - (i) the conditions to closing in favour of the Investor, referred to in Section 8.1 above have not been satisfied on or before the Closing Date, and/or have, at any time and for any reason, become incapable of being satisfied by the Closing Date; or
  - (ii) the Closing Date has not occurred on or before September 27, 2019;
- (b) The rights of termination contained in this Section 10.1 may be exercised by the Investor, and, subject to Section 10.3, are in addition to any other rights or remedies the Investor may have in respect of any default, act or failure to act of the Corporation in respect of any matters contemplated by this Agreement.

## **10.2 Termination by Corporation.**

The Corporation may terminate and cancel its obligations under this Agreement, without any liability on its part, if the conditions to closing in favour of the Corporation referred to in Section 8.2 above have not been satisfied on or before the Closing Date, and/or have, at any time and for any reason, become incapable of being satisfied by the Closing Date.

## **10.3 Effect of Termination**

Notwithstanding any other provision hereof, should the Corporation or the Investor, validly terminate this Agreement pursuant to, and in accordance with, this Article 10, the obligations of the Corporation and the Investor, under this Agreement will terminate and there will be no further liability on the part of the Investor, to the Corporation or on the part of the Corporation to the Investor, hereunder, except for any liability of any party that exists at such time.

**ARTICLE 11  
GENERAL PROVISIONS**

**11.1 Notices**

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email or sent by prepaid overnight courier to the parties at the following addresses (or at such other addresses as shall be specified by the parties by like notice):

- (a) if to the Corporation:

4820 Richard Road SW  
Suite 300  
Calgary, Alberta T3E 6L1  
Attention: **[redacted]**  
Email: **[redacted]**

with a copy to:

Borden Ladner Gervais LLP  
1900, 520 – 3<sup>rd</sup> Avenue SW  
Calgary, Alberta T2P 0R3  
Attention: **[redacted]**  
Email: **[redacted]**

- (b) if to the Investor:

Rooms 5028-5032, 50<sup>th</sup> Floor, Sun Hung Kai Centre, No. 30 Harbour Road, Wanchai, Hong Kong

Email: **[redacted]**

with a copy to:

Norton Rose Fulbright Canada LLP  
222 Bay Street, Suite 3000, P.O. Box 53  
Toronto, Ontario M5K 1E7 Canada  
Attention: **[redacted]**  
Email: **[redacted]**

**11.2 Entire Agreement**

This Agreement, including for greater certainty, such other sections of any such other agreements that are expressly incorporated by reference herein and which shall form part of this Agreement, constitutes the entire agreement of the Parties relative to the subject matter hereof. The enumeration in this Agreement of the Investor's rights and remedies is not intended to be exclusive, and such rights and remedies are in addition to and not by way of limitation of any other rights or remedies that the Investor may have under applicable law. No course of dealing and no delay or failure of the Investor to exercise any right, power or privilege under any of the Loan Documents will affect any other or future exercise of such right, power or privilege. The exercise of any one right, power or privilege shall not preclude the exercise of any others, all of which shall be cumulative.

This Agreement shall be binding on and enure to the benefit of the Parties and their respective successors and permitted assigns.

### **11.3 Enforcement**

The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of Alberta having jurisdiction, this being in addition to any other remedy to which that Party is entitled at law or in equity in those circumstances.

### **11.4 Additional Rights**

Except as otherwise provided herein each Party's rights under this Agreement are in addition to and not in substitution for any other rights of that Party at law, in equity or otherwise.

### **11.5 Assignment**

This Agreement shall be binding upon and enure to the benefit of the Parties and their successors and permitted assigns, provided that (i) neither this Agreement, nor the benefit hereof, may be assigned by the Corporation without the prior written consent of the Investor, which consent may be unreasonably withheld, and (ii) neither this Agreement, nor the benefit hereof, may be assigned by the Investor, without the prior written consent of the Corporation, which consent may be unreasonably withheld. Notwithstanding the foregoing, the Investor, may assign this Agreement and the benefits hereof to wholly-owned Affiliates of the Investor or accounts managed by the Investor, or its wholly-owned Affiliates without the prior written consent of the Corporation.

### **11.6 Severability**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of that invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions of this Agreement, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable that provision in any other jurisdiction.

### **11.7 Survival of Covenants**

The covenants of the Corporation and the Investor in this Agreement shall survive the closing of the issuance of the Secured Convertible Debenture and Warrants contemplated by this Agreement.

### **11.8 Further Assurances**

Each Party will perform all acts, execute and deliver all documents and give all assurances reasonably necessary to give effect to this Agreement.

### **11.9 Time**

Time is of the essence hereof.

### **11.10 Counterpart Execution**

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original instrument but all such counterparts together shall constitute one agreement. Each Party shall be entitled to rely on delivery of an executed facsimile or a scanned copy by electronic mail (i.e., "pdf" or "tif") of this Agreement, and that facsimile or electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF the Parties have executed this Agreement by their duly authorized officers as of the date first above written.

**VISION LEADER LIMITED**

Per: (signed) "Song Hong Fang"

Name: Song Hong Fang

Title: Director

**RESVERLOGIX CORP.**

Per: (signed) *"Donald J. McCaffrey"*

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Name: Donald J. McCaffrey

Title: President and CEO

**RESVERLOGIX INC.**

Per: (signed) *"Donald J. McCaffrey"*

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Name: Donald J. McCaffrey

Title: President and Secretary

**SCHEDULE A**  
**FORM OF SECURED CONVERTIBLE DEBENTURE**

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY 27, 2020.

**CONVERTIBLE DEBENTURE**

**RESVERLOGIX CORP.**

(incorporated under the laws of Alberta)

**10% Secured Convertible Debenture Due September 26, 2020**

**Principal Amount: US\$12,000,000**

**Maturity Date: September 26, 2020**

FOR VALUE RECEIVED, Resverlogix Corp. (the “**Company**”) hereby acknowledges itself indebted to and promises to pay to or to the order of Vision Leader Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (the “**Holder**”), on the Maturity Date, the aggregate principal sum of **TWELVE MILLION U.S. DOLLARS (US\$12,000,000)** advanced to the Company by the Holder on the date hereof, together with all accrued and unpaid Interest, as defined herein, thereon calculated in the manner specified below in this Secured Debenture (the “**Debenture**”). At the Holder’s option, all or part of the Outstanding Principal Amount (as defined below) may be satisfied by the issuance to the Holder of Common Shares (as defined below) upon conversion of this Debenture as further described below and subject to the conditions set out below in Article 3. The terms and conditions attached hereto as Schedule A form an integral part of this Debenture.

IN WITNESS WHEREOF, the Company has caused this Debenture to be executed by a duly authorized officer.

DATED this 26th day of September, 2019.

**RESVERLOGIX CORP.**

Per: \_\_\_\_\_

Donald J. McCaffrey  
Chief Executive Officer

***(SEE TERMS AND CONDITIONS ATTACHED HERETO AS SCHEDULE A)***

**SCHEDULE A - TERMS AND CONDITIONS OF  
10% SECURED CONVERTIBLE DEBENTURE ISSUED BY RESVERLOGIX CORP. DUE  
SEPTEMBER 26, 2020**

**ARTICLE 1  
INTERPRETATION**

1.1 Definitions

Capitalized terms herein shall have the following meanings:

“**Affiliate**” shall have the meaning ascribed thereto in National Instrument 45-106 – Prospectus Exemptions;

“**Applicable Securities Legislation**” means applicable securities laws (including published rules, regulations, policies, rulings and instruments) in the Province of Alberta, Canada and the rules, policies and requirements of the TSX;

“**Benefit Plan**” means an employee benefit plan (including as defined in Section 248(1) of the Tax Act which the Company or any of its subsidiaries sponsors or maintains or to which any such party, is making, or is obligated to make contributions, and shall also include any pension plan (including a pension plan to which the *Pension Benefits Act* of Alberta or Ontario apply) which the Company or any of its subsidiaries sponsors, maintains, or to which it makes, is making, or is obligated to make contribution;

“**Business Day**” means any day, other than a Saturday, a Sunday or any other day on which the principal chartered banks located in Calgary, Alberta or Hong Kong are not open for business during normal banking hours;

“**Capital Reorganization**” has the meaning ascribed thereto in Section 3.5.5 hereof;

“**Capitalized Lease**” means a lease that is required to be capitalized for financial reporting purposes;

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

“**Company**” means Resverlogix Corp., a corporation existing under the laws of Alberta, including its successors and permitted assigns;

“**control**”: a person shall be deemed to be controlled by another person or by two or more persons if (i) voting securities of the first-mentioned person carrying more than 50% of the votes attaching to such securities are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other persons, and (ii) in the case of a company, the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such company;

“**Conversion Date**” has the meaning ascribed to such term in Section 3.1 hereof;

“**Conversion Notice**” has the meaning ascribed to such term in Section 3.3 hereof;

“**Conversion Price**” is equal to the lower of: (i) Cdn\$2.54 per Common Share, as adjusted from time to time pursuant to Section 3.5 hereof; and (ii) the Current Market Price as of the Conversion Date, in each case converted to U.S. dollars at an exchange rate equal to the Bank of Canada posted daily exchange rate for the Conversion Date;

“**Conversion Shares**” has the meaning ascribed to such term in Section 3.1 hereof;

“**Current Market Price**” means an amount in Canadian dollars equal to the volume weighted average trading price of the Common Shares on the TSX, or if the Common Shares are not listed on the TSX, on another recognized stock exchange, in either case for 5 consecutive trading days ending immediately prior to the relevant date, provided that if the Common Shares are not listed on the TSX and are listed on more than one recognized stock exchange, the “Current Market Price” shall be calculated based on the recognized stock exchange on which the volume of transactions in the Common Shares was the highest during such 5 consecutive trading days, or if the Common Shares are not listed on any recognized stock exchange, then the “Current Market Price” shall be calculated based on the over-the-counter market on which the Common Shares are so traded, or if no such market exists, then the “Current Market Price” shall be the price determined in good faith by the Independent Auditors of the Company (as defined herein) or such other firm of independent chartered accountants appointed by the Company for this purpose;

“**Debenture**” means this 10% secured convertible debenture due September 26, 2020 issued by the Company in favour of the Holder, as amended, supplemented, restated and/or modified from time to time in accordance with its terms;

“**Debenture Liabilities**” means the indebtedness, liabilities and obligations of the Company under this Debenture, including on account of principal, interest or otherwise, but excluding the issuance of Common Shares upon any conversion pursuant to Article 3;

“**Default Notice**” has the meaning ascribed thereto in Section 8.2;

“**Environmental Laws**” means all applicable laws now or hereafter in effect relating to pollution or protection of the environment, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment (including ambient air, surface water, ground water, or land), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, removal, transport, or handling of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes, and all regulations, notices or demand letters issued, entered, promulgated or approved thereunder.

“**Event of Default**” means any of the events specified in Section 8.1 hereof;

“**Governmental Authority**” means any (a) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, court, commission, board, arbitrator, tribunal, bureau or agency, domestic or foreign, (b) any subdivision or authority of any of the above, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or tax authority under or for the account of any of the above.

“**Holder**” means the registered holder of this Debenture as reflected on the cover page of this Debenture and any subsequent registered holder of this Debenture;

“**IFRS**” means International Financial Reporting Standards, as and to the extent applicable to the Company;

“**Interest**” has the meaning ascribed thereto in Section 2.2 hereof;

“**Interest Rate**” has the meaning ascribed thereto in Section 2.2 hereof;

“**Investment Agreement**” means the investment agreement between the Holder and the Company dated the date hereof;

“**Issue Date**” means September 26, 2019;

“**Lien**” means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation;

“**Loan Agreement**” means the loan agreement between the Company, as borrower, and certain parties as guarantors, certain parties as lenders and Third Eye Capital Corporation as agent for the lenders dated as of May 4, 2018, as amended and as may be amended from time to time;

“**Maturity Date**” means September 26, 2020;

“**Ordinary Course of Business**” means the ordinary course of business of the Company or its subsidiaries, consistent with past practices and undertaken in good faith.

“**Outstanding Principal Amount**” means, as of any applicable time, the principal amount of this Debenture as set forth on the face of this Debenture or such other principal amount of this Debenture which is then outstanding;

“**person**” means an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

“**Permitted Encumbrances**” means, in respect of the Company and its subsidiaries:

(a) Liens for taxes other than of the types referred to in paragraph (f) hereof, provided that the payment of such taxes which are due and payable is being contested in good faith and by appropriate proceedings diligently pursued and as to which adequate financial reserves have been established on the Company’s consolidated books and records to the extent required by IFRS and a stay of enforcement of any such Lien is in effect;

(b) Liens in favour of, or for the benefit of, the Holder;

(c) Liens consisting of deposits made in the Ordinary Course of Business in connection with, or to secure payment of, obligations under worker’s compensation, employment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than Liens in respect of any Benefit Plans or under

Environmental Laws) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds;

(d) Liens securing the claims or demands of materialmen, mechanics, repairmen, carriers, warehousemen, landlords and other like persons, provided that if any such Lien arises from the nonpayment of such claims or demand when due, such claims or demands do not exceed (i) \$25,000 in the aggregate with respect to claims or demands of materialmen, mechanics and carriers and (ii) \$10,000 individually and \$25,000 in the aggregate with respect to claims or demands of warehouseman and landlords;

(e) Liens constituting encumbrances in the nature of reservations, exceptions, encroachments, easements, rights of way, servitudes, covenants running with the land, and other similar title exceptions or encumbrances affecting any of their Real Estate; provided that they do not in the aggregate materially detract from the value of such Real Estate or materially interfere with its use in the ordinary conduct of the business of the Company and its subsidiaries;

(f) inchoate Liens in connection with goods and services taxes, provincial sales taxes or harmonized sales taxes, workers' compensation, employment insurance, Canada Pension Plan and similar legislation provided that no amounts are unpaid or unremitted when due;

(g) Liens registered for leases that are Capitalized Leases or financing leases;

(h) any rights of a Governmental Authority pursuant to any lease, license, franchise, grant or permit entered into or granted by it, or any right resulting from a legislative provision, to terminate such lease, license, franchise, grant or permit, or requiring an annual or periodic payment as a condition of its extension;

(i) the reservations, limitations, provisions and conditions, if any, expressed in any original grant from the Crown of any of their Real Estate provided that they do not materially interfere with the use or value of such Real Estate; and

(j) other Liens approved by the Holder in advance, in writing.

**“Real Estate”** means any person's now or hereafter owned or leased estates in real or immovable property, including all fees, leaseholds and future interests, all ownership rights (or dismemberments thereof) together with all of such person's now or hereafter owned or leased interests in the improvements thereon, the fixtures attached thereto and the easements and benefits appurtenant thereto.

**“Redeemed Principal Amount”** has the meaning ascribed thereto in Section 4.2 hereof;

**“Redemption Amount”** has the meaning ascribed thereto in Section 4.1 hereof;

**“Redemption Date”** has the meaning ascribed thereto in Section 4.1 hereof;

**“Redemption Notice”** has the meaning ascribed thereto in Section 4.2 hereof;

**“subsidiary”** means, in relation to a specified person, a person controlled by such specified person, whether directly or indirectly through one or more intermediaries;

**“Successor”** has the meaning ascribed thereto in Section 10.1 hereof;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder, each as amended from time to time; and

“**TSX**” means the Toronto Stock Exchange.

1.2 Use of Singular and Plural

Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Interpretation Not Affected by Headings, etc.

The division of this Debenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

1.4 Day Not a Business Day

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.

1.5 Invalidity of Provisions

Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof or thereof.

1.6 Calculating Interest

In calculating interest under this Debenture for any period, unless otherwise specifically stated, the first day of such period shall be included and the last day of such period shall be excluded.

1.7 Interest Act Provisions

For purposes of the *Interest Act* (Canada), the principle of deemed reinvestment of interest shall not apply to any interest calculation under this Debenture and the rates of interest stipulated in this Debenture are intended to be nominal rates and not effective rates or yields. Whenever interest is computed on a basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

**ARTICLE 2  
PRINCIPAL AND INTEREST**

2.1 Maturity Date

This Debenture shall mature and be fully payable on the Maturity Date.

## 2.2 Interest

Interest on the Outstanding Principal Amount shall accrue at a rate of 10% per annum, calculated and compounded annually in arrears on the basis of a 365-day year (the “**Interest Rate**”), with interest being payable in cash on the Maturity Date or the earlier date of conversion or redemption, as applicable (the “**Interest**”). Interest is payable after as well as before maturity and after as well as before default, with interest on amounts unpaid and outstanding after maturity or in default payable at the Interest Rate. If all or part of the Outstanding Principal Amount is not paid when due (whether on the Maturity Date, by acceleration or otherwise), such overdue amount shall bear interest, payable on demand, at the rate of 10% per annum.

If any provision of this Debenture would oblige the Company to make any payment of interest in an amount or calculated at a rate which would be prohibited by applicable law or would result in receipt by the Holder of interest at a criminal or prohibited rate (as such terms are construed under the *Criminal Code* (Canada) or any other applicable law), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in receipt by the Holder of interest at a criminal or prohibited rate, such adjustment to be effected, to the extent necessary, firstly by reducing the amount or rate of interest eligible under this Debenture and thereafter, by reducing any fees or other amounts which would constitute interest for the purpose of Section 347 of the *Criminal Code* (Canada), as amended from time to time, or any other applicable law.

## 2.3 Payment of Outstanding Principal Amount and Interest

Except as otherwise provided for herein, the Outstanding Principal Amount and Interest accumulated thereon will be payable in accordance with Section 2.4 hereof to the Holder on the Maturity Date.

## 2.4 Payments

All payments to be made to the Holder under this Article 2 shall be made, at or before 5:00 p.m. (Calgary time) on the date such amount is due, in United States dollars by wire transfer of immediately available funds to an account maintained by the Holder with such bank as the Holder may designate in writing from time to time to the Company.

# ARTICLE 3 CONVERSION

## 3.1 Conversion Privilege

- (a) Subject to and upon compliance with the provisions of this Article 3 and to Section 4.2, the Holder shall have the right, at its sole option, at any time and from time to time prior to 5:00 p.m. (Calgary time) on the Business Day immediately preceding the Maturity Date to convert on any Business Day (any such date being referred to as a “**Conversion Date**”) all, or, subject to Section 3.2 hereof, a portion of, the Outstanding Principal Amount, into that number of Common Shares (the “**Conversion Shares**”) as is determined by dividing the portion of the Outstanding Principal Amount being converted by the Conversion Price in effect on such Conversion Date.

- (b) If any portion or all of the Outstanding Principal Amount is converted into Common Shares pursuant to Section 3.1(a), the Company shall deliver to the Holder at its address set forth above one or more certificates or direct registration statements representing or evidencing the issuance of such Conversion Shares issuable upon such conversion within five (5) Business Days following the Conversion Date.
- (c) All certificates representing such Common Shares issued prior to January 27, 2020 shall bear the following legend and may also bear such legend as may be required by the TSX:

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION,  
THE HOLDER OF THIS SECURITY MUST NOT TRADE THE  
SECURITY BEFORE JANUARY 27, 2020.**

- (d) Notwithstanding any other provisions of this Debenture or the Investment Agreement:
  - (i) until such time as the personal information form submitted to the TSX in respect of the Holder Nominee is approved by the TSX, the Holder shall not be entitled to exercise the conversion right to convert such amount of the Outstanding Principal Amount that would result in the Holder holding, together with all existing Common Shares then held by the Holder and its Affiliates, 10% or more of the then issued and outstanding Common Shares (after giving effect to such conversion); and
  - (ii) the Holder shall not be entitled to exercise any right of conversion of the Outstanding Principal Amount that would result in greater than 52,355,011 Common Shares being issued pursuant to this Debenture, unless the approval of the Company's shareholders has been obtained in accordance with the requirements of the TSX.

### 3.2 Amount of Partial Conversion

Any partial conversion of this Debenture shall be for a principal amount of \$1,000 or such greater principal amount which shall be an integral multiple of \$1,000, provided that if at any time the Outstanding Principal Amount is less than \$1,000, then any subsequent conversion shall be for the full remaining Outstanding Principal Amount.

### 3.3 Manner of Exercise of Conversion Privilege

To convert this Debenture or any portion hereof, the Holder shall surrender this Debenture to the Company at its head office on any Conversion Date together with the conversion notice attached hereto as Appendix I (the "**Conversion Notice**") duly executed by the Holder or its attorney duly appointed by an instrument in form and substance satisfactory to the Company, exercising the Holder's right to convert this Debenture in accordance with the provisions of this Article 3. Thereupon, the Holder shall be entitled to be entered in the books of the Company as at the Conversion Date as the holder of the applicable number of Common Shares into which the Outstanding Principal Amount, or, as the case may be, the portion of the Outstanding Principal Amount indicated in such Conversion Notice, is convertible in accordance with the provisions of this Article 3. The Holder shall also be entitled to receive, in addition to the applicable number of Conversion Shares, accrued and unpaid interest (less any taxes required to be deducted) in respect of the Outstanding Principal Amount of the Debenture surrendered for conversion for the period up to the Conversion Date. Upon any partial conversion of the Outstanding Principal Amount, the

Company shall, on the applicable Conversion Date, upon receipt of this Debenture duly surrendered for such conversion, cancel the same and issue and deliver to the Holder a new debenture in form and substance identical to this Debenture in a principal amount equal to the unconverted portion of the Outstanding Principal Amount of this Debenture.

3.4 Fractional Common Shares

The Company shall not be required to issue fractional Common Shares upon the conversion of this Debenture pursuant to this Article 3. If any fractional interest in an Common Share would, except for the provisions of this Section 3.4, be deliverable upon the conversion of any of the Outstanding Principal Amount, the Company shall not deliver any certificate for such fractional interest, but rather, will satisfy such fractional interest by rounding such fractional interest down to the next whole number of Common Shares.

3.5 Adjustment of the Conversion Price

3.5.1 The Conversion Price in effect at any date will be subject to adjustment from time to time in the events and in the manner provided in this Section 3.5.

3.5.2 If and whenever at any time after the date hereof and prior to conversion of this Debenture, the Company:

- (a) subdivides, redivides or changes its outstanding Common Shares into a greater number of Common Shares; or
- (b) reduces, combines or consolidates its outstanding Common Shares into a smaller number of Common Shares; or
- (c) issues Common Shares or securities convertible into or exchangeable for Common Shares to the holders of the outstanding Common Shares as a stock dividend or otherwise; or
- (d) makes a distribution on its outstanding Common Shares to the holders of all or substantially all of the outstanding Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares;

(any of such events in (a), (b), (c) and (d), above being called a “**Common Share Reorganization**”) then the Conversion Price then in effect will be adjusted on the effective date of a Common Share Reorganization, so that the Conversion Price shall equal the price determined by multiplying the Conversion Price in effect immediately prior to such effective date by a fraction, the numerator of which will be the total number of Common Shares outstanding on such effective date before giving effect to such Common Share Reorganization and the denominator of which will be the total number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had all such securities been exchanged for or converted into Common Shares on such effective date).

3.5.3 If and whenever at any time after the date hereof and prior to the conversion of this Debenture, the Company fixes a record date for the issue of rights, options, warrants or other securities to the holders of all or substantially all of the outstanding Common Shares under which such holders are entitled to subscribe for or purchase during a period expiring not more than 90 days after the record

date for such issue (the “**Rights Period**”) Common Shares or securities exchangeable for or convertible into Common Shares at a price per share to the holder (or at an exchange price or conversion price per share in the case of securities exchangeable for or convertible into Common Shares) which is less than the Current Market Price for the Common Shares on such record date (any of such events being called a “**Rights Offering**”), then the Conversion Price will be adjusted effective immediately after the end of the Rights Period so that it shall equal the price determined by multiplying the Conversion Price in effect immediately prior to the end of the Rights Period by a fraction:

- (a) the numerator of which will be the aggregate of:
  - (i) the total number of Common Shares outstanding as of the record date for the Rights Offering, and
  - (ii) a number determined by dividing (A) either (x) the product of the number of Common Shares issued or subscribed for upon the exercise of the rights, warrants, options or other securities under the Rights Offering and the price at which such Common Shares are offered for such issue or subscription, as the case may be, or (y) the product of the exchange price or conversion price of such securities exchangeable for or convertible into Common Shares and the number of Common Shares for or into which the securities so offered pursuant to the Rights Offering could have been exchanged or converted during the Rights Period, by (B) the Current Market Price of the Common Shares as of the record date for the Rights Offering, and
- (b) the denominator of which will be the number of Common Shares outstanding after giving effect to the Rights Offering, including the number of Common Shares actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering.

If the Holder has exercised the right to convert to Common Shares in accordance with Article 3 during the period beginning immediately after the record date for a Rights Offering and ending on the last day of the Rights Period for the Rights Offering, the Holder will, in addition to the Common Shares to which the Holder would otherwise be entitled upon such conversion, be entitled to that number of additional Common Shares equal to the result obtained when (x) the difference, if any, between the Conversion Price in effect immediately prior to the end of the Rights Period for such Rights Offering and the Conversion Price as adjusted for such Rights Offering pursuant to this subsection is multiplied by (y) the number of Common Shares received upon the conversion or partial conversion of this Debenture during such period, and the resulting product is divided by (z) the Conversion Price as adjusted for such Rights Offering pursuant to this Section 3.5.3. Such additional Common Shares will be deemed to have been issued to the Holder immediately following the end of the Rights Period and a certificate or direct registration statement for such additional Common Shares will be delivered to the Holder within five (5) Business Days following the end of the Rights Period. To the extent that any such rights, options or warrants are not so exercised on or before the expiry thereof, the Conversion Price will be readjusted to the Conversion Price which would then be in effect based on the number of Common Shares (or the securities convertible into or exchangeable for Common Shares) actually delivered on the exercise of such rights, options or warrants.

- 3.5.4 If and whenever at any time after the date hereof and prior to the conversion of this Debenture, the Company fixes a record date for the issue or the distribution to the holders of all or substantially

all of the outstanding Common Shares of (i) securities of the Company, including rights, options or warrants to acquire securities of the Company or any of its property or assets; or (ii) any property or other assets, including cash and evidences of indebtedness, and if such issuance or distribution does not constitute an Common Share Reorganization or a Rights Offering (any of such non-excluded events being called a “**Special Distribution**”), then the Conversion Price will be adjusted effective immediately after the date of such issuance or distribution so that it shall equal the price determined by multiplying the Conversion Price in effect on such issuance or distribution date by a fraction:

- (a) the numerator of which will be:
  - (i) the product of the number of Common Shares outstanding on the date of such issuance or distribution and the Current Market Price of the Common Shares on the date of such issuance or distribution; less
  - (ii) the aggregate fair market value, as determined in good faith by the board of directors of the Company, to the holders of Common Shares of such securities or property or other assets so issued or distributed in the Special Distribution; and
- (b) the denominator of which will be the product of the number of Common Shares outstanding on the date of such issuance or distribution and the Current Market Price of the Common Shares on such date.

3.5.5 If and whenever at any time after the date hereof and prior to the conversion of this Debenture, there is a reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares or into other securities or some other capital reorganization (other than an Common Share Reorganization), or a consolidation, amalgamation or merger of, or an arrangement involving, the Company with or into any other corporation or other entity, or a transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a “**Capital Reorganization**”), if the Holder exercises the right to convert this Debenture into Common Shares after the effective date of such Capital Reorganization the Holder will be entitled to receive, and will accept for the same aggregate consideration in lieu of the number of Common Shares to which such Holder was previously entitled upon such conversion, the aggregate number of Common Shares, other securities or other property which the Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Common Shares to which the Holder was previously entitled upon conversion. The Company will take all steps necessary to ensure that the Holder will receive the aggregate number of Common Shares, other securities or other property to which it is entitled as a result of the Capital Reorganization. Subject to the approval of the TSX, if required, appropriate adjustments will be made in the application of the provisions set forth in this Section 3.5.5 as a result of any such Capital Reorganization with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Section 3.5.5 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any Common Shares, other securities or other property thereafter deliverable upon the conversion of this Debenture. Prior to or concurrent with effecting a Capital Reorganization, the Company will enter into an appropriate document which will set forth an appropriate adjustment to give effect to this Section 3.5.5.

3.5.6 For the purposes of Section 3.5:

- (a) The adjustments provided for in Section 3.5 are cumulative and will be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following provisions of this Section 3.5.6.
- (b) No adjustment in the Conversion Price will be required unless the cumulative effect of such adjustment would result in a change of at least 1% in the prevailing Conversion Price; provided, however, that any adjustments which, except for the provisions of this Section 3.5.6 would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustment.
- (c) If at any time a dispute arises with respect to adjustments provided for in Section 3.5, such dispute will be conclusively determined by a firm of chartered accountants, other than the Company's auditors, agreed by the Company and the Holder, acting reasonably (the "**Independent Auditors**"). The Company agrees that the Independent Auditors will be given access to all necessary records of the Company. The determination of the Independent Auditors shall be final and binding upon the Company and the Holder.
- (d) If the Company sets a record date to determine the holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, legally abandons its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Conversion Price shall be made.
- (e) In the absence of a resolution of the board of directors of the Company fixing a record date for a Special Distribution or Rights Offering, the Company will be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.
- (f) The Company shall from time to time, as soon as practicable after the occurrence of any event which requires an adjustment or readjustment as provided in this Section 3.5, deliver an officer's certificate to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.
- (g) For greater certainty, in the case where Common Shares have been previously issued pursuant to this Debenture, there shall be no retroactive adjustment to such number of Common Shares as a result of the occurrence of later events which require adjustments to the Conversion Price pursuant to this Section 3.5.
- (h) No adjustment in the Conversion Price will be required upon the issuance from time to time of Common Shares, or options or other securities pursuant to the Company's stock option or other equity incentive plans or share purchase plans, or any dividend reinvestment plan, or any similar plan, if any, as such plans may be replaced, supplemented or further amended from time to time. In addition, for greater certainty, no adjustment in the Conversion Price will be required in connection with any offering from time to time of Common Shares or securities convertible into or exchangeable for Common Shares, whether by way of private placement or prospectus.

3.6 Company to Reserve Common Shares

The Company covenants with the Holder that it will, at all times, allot and reserve and keep available out of its authorized capital, solely for the purpose of issue upon exercise of the conversion rights under this Debenture, and conditionally allot to the Holder, such number of Common Shares as shall then be issuable on the conversion of this Debenture.

3.7 Withholding Tax

Any and all payments by or on account of any obligation of the Company hereunder (whether paid in cash or otherwise) shall be made free and clear of and without deduction or withholding for any taxes except as required by applicable law; provided that, if the Company is required to deduct or withhold any taxes hereunder then (a) the amount payable shall be increased as necessary so that, after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section 3.7), the Holder receives an amount (in cash or otherwise) equal to the amount it would have received had no such deduction or withholding been made, (b) the Company shall make such required deduction or withholding, and (c) the Company shall pay to the relevant taxation authority the full amount deducted or withheld in accordance with, and within the time limits prescribed by, applicable law. The Company shall provide the Holder with copies of receipts or other communications relating to the remittance of such withheld amount or the filing of such forms received from such taxation authority promptly after receipt thereof. The Company shall indemnify the Holder, within ten (10) days after written demand therefor, for the full amount of any taxes (other than taxes computed by reference to net income of the Holder) paid or payable by the Holder, on or with respect to any payment (whether paid in cash or otherwise) by or on account of any obligation of the Company hereunder (including taxes (other than taxes computed by reference to net income of the Holder) imposed or asserted on or attributable to amounts payable under this Section 3.7) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant taxation authority. A certificate as to the amount of such payment or liability delivered to the Company by the Holder shall be conclusive absent manifest error. For greater certainty, the obligations of the Company under this Section 3.7 shall apply to any Successor of the Company and the rights of the Holder shall extend to any transferee or assignee of the Holder; provided however that any assignee of the Holder shall have no greater rights under this Section 3.7 than the Holder which transferred its interest hereunder or granted the assignment.

**ARTICLE 4  
REDEMPTION**

4.1 Redemption with Prior Written Consent

This Debenture may, with the prior written consent of the Holder, be prepaid in whole or in part prior to the Maturity Date for an amount equal to the sum of the following: (i) the Outstanding Principal Amount to be redeemed, and (ii) accrued and unpaid Interest up to but excluding the date fixed for redemption (the “**Redemption Date**”) on the Outstanding Principal Amount to be redeemed (the sum of (i) and (ii) being the “**Redemption Amount**”).

The Company shall provide the Holder with its written request pursuant to this Section [4.1](#) not less than sixty (60) days prior to any proposed Redemption Date. The Holder shall provide its response to the Company’s written request within fifteen (15) days of receipt of such written request. Any such request shall provide the proposed Redemption Amount and the proposed Redemption Date.

#### 4.2 Notice of Redemption

In the event that the Holder has provided its prior written consent to the redemption in accordance with Section 4.1, in order to exercise its right of redemption, the Company shall send a notice of redemption (“**Redemption Notice**”) to the Holder not less than thirty (30) days and not more than forty five (45) days prior to the Redemption Date specified by the Company and shall state:

- (a) the Outstanding Principal Amount to be redeemed (the “**Redeemed Principal Amount**”);
- (b) the Redemption Date; and
- (c) the place where this Debenture is to be surrendered for payment of the Redemption Amount thereof.

Once a Redemption Notice has been given as aforesaid, the Redemption Amount shall, on the Redemption Date, become due and payable and on and after such date the Outstanding Principal Amount to be redeemed shall only bear interest if the Company shall default in the payment of the Redemption Amount on the Redemption Date. Upon surrender of this Debenture for redemption in accordance with such notice, the Redemption Amount shall be paid by the Company. The Company may, if it has not already redeemed the entire Outstanding Principal Amount, exercise its right of redemption on more than once occasion in accordance with this Article 4, in each case, with the prior written consent of the Holder. In addition, and for greater certainty, until the Redemption Date, the Holder retains the right to convert the Redeemed Principal Amount to Common Shares in accordance with Article 3 hereof.

### **ARTICLE 5 SECURITY**

#### 5.1 Security

Security for the Outstanding Principal Amount together with accrued and unpaid Interest and all other obligations of the Company to the Holder shall include (collectively, the “**Security Documents**”):

- (a) a general security agreement and intellectual property security agreement signed by the Company constituting a first ranking security interest in all property of the Company; and
- (b) an unlimited guarantee from each subsidiary of the Company supported by a general security agreement and intellectual property security agreement from each such subsidiary granting a first ranking security interest in all property of such subsidiary.

The Security Documents shall be registered in Alberta and all other jurisdictions where the Company or any subsidiary carries on business or has material tangibles assets, as determined by the Holder in its sole discretion.

#### 5.2 Additional Security

The Company shall from time to time execute and deliver to the Holder such further instruments and documents and take such further action as the Holder may request for the purpose of obtaining or preserving the full benefits granted or intended to be granted to the Holder by the Security

Documents, including the filing of financing statements or other documents under any applicable law with respect to the Liens created by the Security Documents.

## **ARTICLE 6 TRANSFER OF DEBENTURE**

### **6.1 Transfer Provisions**

- (a) A Holder of this Debenture may at any time and from time to time, subject to this Section 6.1, have such Debenture transferred at the transferor's expense including those reasonable fees charged by the Company to administer any such transfer.
- (b) No transfer of this Debenture may be made in respect of any part of it for which either a Redemption Notice (unless the Company has defaulted in redeeming the relevant part of the Debenture in accordance with the Redemption Notice) or Conversion Notice has been served.
- (c) Each instrument of transfer shall be signed by the transferor, and the transferor shall be deemed to remain the owner of the Debenture, or the part of the Debenture to be transferred, until the name of the transferee is entered in the register in respect of such transfer.
- (d) No transfer of this Debenture shall be effective as against the Company unless:
  - (i) such transfer is made in compliance with applicable law and evidence of such compliance satisfactory to the Company has been provided, including in the case of a transfer within four months following the Issue Date, compliance with the terms of an exemption from the prospectus requirements of Applicable Securities Legislation;
  - (ii) such transfer is made in compliance with such requirements as the Company may prescribe, acting reasonably; and
  - (iii) such transfer has been recorded on the register by the Company or its registrar.

## **ARTICLE 7 COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

### **7.1 Covenants of the Company in favour of the Holder**

So long as any indebtedness is owing to the Holder hereunder, the Company covenants in favour of the Holder as follows:

- (a) The Company will duly and punctually pay or cause to be paid the Outstanding Principal Amount and Interest on the dates, at the places and in the manner provided herein.
- (b) The Company will:
  - (i) maintain its corporate existence under the laws of Alberta and register and qualify and remain registered and qualified to carry on business in all jurisdictions where the character of the properties owned by it or the nature of the business transacted by it makes such registration or qualification necessary;

- (ii) satisfy all reporting requirements under Applicable Securities Legislation;
  - (iii) observe and conform to all requirements of law and of any governmental or municipal authority that are material to the carrying on by the Company of its business;
  - (iv) immediately advise the Holder upon becoming aware of any Event of Default hereunder;
  - (v) maintain and operate all of its properties and assets in a good and workmanlike manner and in accordance with good industry practice;
  - (vi) maintain in full force and effect with insurers of recognized standing such policies of insurance on such terms and in such amounts covering the properties and operations of the Company as is customarily maintained by persons engaged in the same or similar business in the localities where its properties and operations are located;
  - (vii) use the Outstanding Principal Amount to repay in full all amounts outstanding under the Loan Agreement;
  - (viii) not, incur, assume or permit to exist any Lien upon any of its property, assets and undertaking, except Permitted Encumbrances;
  - (ix) not make any contributions of capital or any other forms of equity investments in any person or provide any financial assistance to any person;
  - (x) promptly notify the Holder of the acquisition, creation or existence of each new subsidiary after the date hereof;
  - (xi) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of creation, perfection, protection or maintenance of any security interest conferred or intended to be conferred on the Holder pursuant to this Debenture and any Security Document;
  - (xii) not dispose of any of its properties or assets other than in the Ordinary Course of Business and on commercially reasonable terms; and
  - (xiii) promptly cure or cause to be cured any defects in the execution or delivery of this Debenture by the Company and at its expense duly execute and deliver or cause to be duly executed and delivered all documents as may be necessary or desirable for such purposes.
- (c) The Company will comply in all material respects with every covenant and undertaking governing the relationship between the Company and the Holder under this Debenture and will advise the Holder of any material non-compliance with any of such covenants and/or undertakings.
- (d) The Company shall use reasonable commercial efforts to maintain the listing of the Common Shares on the TSX or any other recognized stock exchange and to maintain the Company's status as a "reporting issuer" not in default under Applicable Securities

Legislation; provided that the foregoing covenant shall not prevent or restrict the Company from carrying out a transaction to which Article 10 would apply if carried out in compliance with Article 10 even if as a result of such transaction the Company ceases to be a “reporting issuer” in all or any of the provinces of Canada or the Common Shares cease to be listed on the TSX or any other recognized stock exchange.

- (e) The Company shall not incur any indebtedness which ranks in priority to or pari passu to the Debenture Liabilities without the prior written consent of the Holder, which consent shall not be unreasonably withheld.
- (f) The Company agrees that for so long as the Outstanding Principal Amount is outstanding, the Holder shall have the right to appoint one (1) nominee to the board of directors of the Company (the “**Holder Nominee**”) at any time upon 10 Business Days prior notice to the Company. Upon receiving such notice, the Company shall take all necessary steps to appoint the Holder Nominee to the board of directors of the Company and shall thereafter nominate the Holder Nominee for election at any meeting of shareholders of the Company for so long as the Outstanding Principal Amount is outstanding, and shall solicit proxies on behalf of and recommend to its shareholders that they vote in favour of the Holder Nominee as part of the management slate of nominees for any such meetings. The Company agrees that the Holder Nominee shall be entitled to the same protections, rights and benefits, including with respect to insurance, indemnification, compensation and fees as are currently applicable to all directors of the Company. In the event that a Holder Nominee is unable or unwilling to continue as a director of the Company from time to time while the Outstanding Principal Amount is outstanding, the Holder shall be entitled to nominate a replacement director to the board of directors to act as the Holder Nominee, and the provisions of this Section 7.1 shall apply to such Holder Nominee.
- (g) In addition to the foregoing, the provisions of Article 5 and Article 6 of the Investment Agreement are hereby incorporated by reference, *mutatis mutandis*.

## 7.2 Representations and Warranties

The Company represents and warrants to the Holder, all of which representations and warranties shall survive the execution and delivery of this Debenture, that:

- (a) the Company is a corporation duly incorporated and validly existing under the laws of Alberta, is duly registered and qualified to carry on business in all jurisdictions where the character of the properties owned by it or the nature of the business transacted by it makes such registration or qualification necessary and has the full power and capacity to own, lease or hold its properties and assets and conduct its business as presently conducted;
- (b) the execution, delivery and performance by the Company of this Debenture has been duly authorized by all necessary action, are each within its power and capacity and will not violate any provision of law or any shareholder agreement, articles or by-laws, as applicable, and will not result in the breach of or constitute a default or require any consent under, or result in the creation of any Lien upon any of the Company’s property or assets, in favour of any party other than the Holder, pursuant to any indenture or other agreement or instrument to which the Company is party or by which the Company or its property may be bound or affected;

- (c) this Debenture is a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms except as enforceability may be limited by general principles of equity and bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by moratorium laws from time to time in effect;
- (d) the Company has good and valid title to all of its properties and assets subject only to minor defects of title which do not, in the aggregate, materially affect the value thereof;
- (e) it possesses all licenses, patents, trademarks and copyrights, free from material restrictions, that are necessary for the ownership, maintenance and operation of its assets and businesses and is not in violation of any rights of others with respect to any of the foregoing;
- (f) there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which could reasonably be expected to have a material adverse effect upon its financial condition or operations or its ability to perform its obligations under this Debenture or any of the Holder's security and Security Documents, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Holder; and
- (g) as of the date hereof, the Company has one wholly-owned subsidiary, Resverlogix Inc., a corporation incorporated under the laws of the State of Delaware.

## **ARTICLE 8 DEFAULT**

### 8.1 Events of Default

The occurrence of any of the following events (including, for greater certainty, the events set forth in Article VIII of the Loan Agreement) shall constitute an “**Event of Default**” under this Debenture:

- (a) the non-payment of the Outstanding Principal Amount under this Debenture when due and payable, whether at maturity or otherwise;
- (b) non-payment of Interest, fees, reimbursable expenses, costs or other amounts outstanding under this Debenture when due and payable and such non-payment continue for a period of five (5) days;
- (c) the commencement of proceedings for the dissolution, liquidation or winding-up of the Company or any of its subsidiaries or for the suspension of the operations of the Company or any of its subsidiaries unless such proceedings are being contested in good faith by proper and timely legal proceedings;
- (d) if the Company ceases or threatens to cease to carry on its business or is adjudged or declared bankrupt or insolvent or makes an assignment for the general benefit of creditors, petitions or applies to any tribunal for the appointment of a receiver or trustee for it or for any part of its property which is material to its operations, or commences any proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect, or by any act indicates its consent to, approval of, or acquiescence in, any such proceeding for it or for any part of its property which is material to its operations, or suffers the appointment

of any receiver or trustee, unless, if such proceedings are commenced by another person, such proceedings are being contested in good faith in a timely manner and have been discharged, vacated or stayed within thirty (30) days after commencement;

- (e) the breach or failure of due observance or performance by the Company of any covenant set out in Section 7.1 and any other material covenant or provision of this Debenture, which breach or failure or non-performance is not remedied within ten (10) days after written notice to do so has been given by the Holder to the Company; or
- (f) any representation or warranty set out in Section 7.2, is untrue, or incomplete.

In addition to the foregoing, the provisions of Article VIII of the Loan Agreement are hereby incorporated by reference, *mutatis mutandis*, except that for the purposes of this Debenture, the term “Material Adverse Effect” shall have the meaning set forth in the Investment Agreement.

## 8.2 Notice of Event of Default

The Company shall give notice (the “**Default Notice**”) in writing to the Holder of the occurrence of any Event of Default promptly upon becoming aware of same. Such written notice shall specify the nature of such default or Event of Default and, to the extent determined by the Company, the steps being taken to remedy the same.

## 8.3 Process Regarding an Event of Default

Upon the occurrence of an Event of Default including, for greater certainty, the expiry of any applicable cure periods set forth in Section 8.1, the Holder, after receipt of the Default Notice in accordance with Section 8.2, may in its sole discretion give notice to the Company declaring that the Outstanding Principal Amount together with accrued and unpaid Interest (if any) thereon is, and it shall accordingly thereby become, immediately due and payable on the date such notice is given.

# ARTICLE 9 CANCELLATION AND SURRENDER

## 9.1 Discharge of Debenture

Upon conversion of all of this Debenture in accordance with Article 3 herein, upon the redemption by the Company of all of the Outstanding Principal Amount in accordance with Article 4, or upon payment by the Company of all of the Outstanding Principal Amount and any accrued and unpaid Interest as may be outstanding and payable from time to time, the Holder shall upon request in writing by the Company delivered to the Holder, deliver up this Debenture to the Company, and shall at the expense of the Company cancel and discharge this Debenture.

# ARTICLE 10 SUCCESSORS

## 10.1 Restrictions on Amalgamation, Merger and Sale of Certain Assets, etc.

The Company shall not enter into any transaction or series of transactions whereby all or substantially all of its undertaking, property or assets would become the property of any other

person (other than the Company's direct or indirect wholly-owned Subsidiaries) (herein called a "Successor") whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale, lease or otherwise, including, without limitation, a Capital Reorganization to which the provisions of Section 3.5.5 apply, unless:

- (a) prior to or contemporaneously with the consummation of such transaction the Company and the Successor shall have executed such instruments and done such things as, in the opinion of Counsel, are necessary or advisable to establish that upon the consummation of such transaction the Successor will have assumed all the covenants and obligations of the Company under this Debenture and it shall attorn to the jurisdiction of the courts of the Province of Alberta in respect of this Debenture;
- (b) this Debenture will be a valid and binding obligation of the Successor entitling the Holder, as and against the Successor, to all of its rights under this Debenture; and
- (c) after giving effect to the transaction, no Event of Default will occur.

For certainty, the sale, conveyance, transfer or lease (in a single transaction or a series of transactions) of the properties or assets of one or more of the Company's subsidiaries (other than to the Company or another direct or indirect wholly-owned subsidiary) which, if such properties or assets were directly owned by the Company, would constitute all or substantially all of the Company's properties or assets on a consolidated basis, will be deemed to be a sale, conveyance, transfer or lease of all or substantially all of the Company's properties or assets.

#### 10.2 Vesting of Powers in Successor

Whenever the conditions of Section 10.1 shall have been duly observed and performed, any Successor formed by or resulting from such transaction shall succeed to, and be substituted for, and may exercise every right and power of the Company under this Debenture with the same effect as though the Successor had been named as the Company herein and thereafter, the Company shall be relieved of all obligations and covenants under this Debenture.

### **ARTICLE 11 GENERAL**

#### 11.1 Notice

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by electronic communication or by delivery as hereafter provided. Any such notice or other communication, if sent by electronic communication, shall be deemed to have been received on the Business Day following the sending, or, if delivered by hand, shall be deemed to have been received at the time it is delivered to the applicable address set forth below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this Section 11.1. Notices and other communications shall be addressed as follows:

- (a) to the Holder, at the address of the Holder set forth on the face page of this Debenture; and
- (b) to the Company, at 300, 4820 Richard Road SW, Calgary, Alberta T3E 6L1,

or to such other address as the relevant person may from time to time advise by notice in writing given pursuant to this Section 11.1.

11.2 Assignment

The Company may not assign this Debenture or any of its obligations associated with this Debenture unless (a) it has obtained the prior written consent of the Holder, or (b) in the circumstances set out in Article 10 where the Company has complied with the terms thereof.

11.3 Remedies

No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or statute.

11.4 Amendment; Waiver

Any term of this Debenture may be amended and the observance of any term of this Debenture may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

11.5 Replacement of Debenture

If this Debenture shall become mutilated or be lost, stolen or destroyed and in the absence of notice that the Debenture has been acquired by a *bona fide* purchaser, the Company in its discretion may issue a new debenture upon surrender and cancellation of the mutilated Debenture, or, in the event that the Debenture is lost, stolen or destroyed, in lieu of and in substitution for the same, and the substituted debenture shall be in the form hereof and the Holder shall be entitled to benefits hereof. In case of loss, theft or destruction, the Holder shall furnish to the Company such evidence of such loss, theft or destruction as shall be satisfactory to the Company in its discretion acting reasonably together with an indemnity in form and substance mutually acceptable to the Company and the Holder, each acting reasonably. The applicant shall pay reasonable expenses incidental to the issuance of any such new debenture.

11.6 Successors and Assigns

This Debenture shall inure to the benefit of the Holder and its successors and permitted assigns and shall be binding upon the Company and its successors and permitted assigns.

11.7 Debenture not Listed or Traded

No application has been, or is intended to be, made to the TSX or any other listing authority, stock exchange or other market for this Debenture to be listed or otherwise traded.

11.8 Governing Law

This Debenture shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

11.9 Entire Agreement

This Debenture, the Investment Agreement and the Security Documents constitute the entire agreement between the parties hereto pertaining to the matters therein set forth herein and supersedes and replaces any prior understandings or arrangements pertaining to this Debenture, the Investment Agreement and the Security Documents. Except as set forth in this Debenture, there are no warranties, representations or agreements between the parties in connection with such matters.

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**APPENDIX I**

**Conversion Notice  
to the 10% Secured Convertible Debenture of Resverlogix Corp. due September 26, 2020**

**TO: Resverlogix Corp.**

The undersigned registered holder of the above referenced convertible debenture (the “**Debenture**”) hereby irrevocably elects to convert \$\_\_\_\_\_ of the Outstanding Principal Amount of the Debenture into Common Shares of Resverlogix Corp. at a Conversion Price of \$\_\_\_\_\_ per Common Share in accordance with the terms of the Debenture.

All capitalized and undefined terms herein, unless the context otherwise requires, shall have the meanings ascribed thereto in the Debenture.

DATED: \_\_\_\_\_, \_\_\_\_\_.

<\*>

Per: \_\_\_\_\_  
[Name]  
[Title]

**SCHEDULE B  
FORM OF WARRANT CERTIFICATE**

**UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES MUST NOT TRADE THE SECURITIES BEFORE JANUARY 27, 2020.**

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THE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE DECEMBER 31, 2023.

## **WARRANT CERTIFICATE**

### **RESVERLOGIX CORP.**

(Incorporated under the laws of Alberta)

WARRANT CERTIFICATE NO. SEPT2019-01

**600,000** WARRANTS entitling the holder to acquire, subject to adjustment, one (1) common share for each Warrant represented hereby.

This is to certify that for value received, Vision Leader Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (the "**Holder**") is the registered holder of 600,000 common share purchase warrants ("**Warrants**"), entitling the Holder to subscribe for and purchase one (1) fully paid and non-assessable common share in the capital of Resverlogix Corp. (the "**Corporation**") for every one (1) Warrant held by the Holder, up to and including a total of 600,000 common shares of the Corporation, upon the terms and conditions as hereinafter set forth.

#### **1. Expiry Date**

The Warrants to purchase common shares granted hereunder shall be exercised (subject to vesting as set out in paragraph 3) on or before 5:00 p.m. (Calgary time) on December 31, 2023 (the "**Expiry Date**"), after which time all Warrants conferred hereunder shall be void and of no further value.

#### **2. Exercise Price**

Subject to adjustment as provided in section 10, the exercise price per common share shall be **Cdn\$2.54** per common share (the "**Exercise Price**").

#### **3. Vesting of Exercise Rights**

All warrants will vest immediately. The total number of Warrants vesting will not exceed the total number granted.

#### **4. Exercise and Payment**

The Warrants granted hereunder may be exercised only to the extent Warrants have vested and are exercisable pursuant to paragraph 3 and thereafter by the Holder completing an exercise form in the form attached hereto and delivering same to the principal office of the Corporation at 300, 4820 Richard Road S.W., Calgary, Alberta, T3E 6L1, together with this certificate and the purchase price of the common shares subscribed for. The purchase price is payable by cash, certified cheque, bankers' draft or electronic transfer of funds payable in Canadian funds to or to the order of the Corporation.

#### **5. Share Certificates**

Upon compliance with the conditions as aforesaid, the Corporation will cause to be issued to the person or persons in whose name or names the common shares so subscribed for are to be issued the number of fully paid and non-assessable common shares subscribed for and such person or persons shall be deemed upon presentation and payment as aforesaid to be the holder or holders of record of such common shares. Within five (5) business days of compliance of the conditions aforesaid, the Corporation will cause to be mailed or delivered to the holder at the address or addresses specified in the subscription form, a certificate or certificates evidencing the number of common shares subscribed for.

## 6. Exercise in Whole or in Part

The Warrants may be exercised in whole or in part and, if exercised in part, the Corporation shall issue another certificate evidencing the remaining rights to purchase common shares of the Corporation, provided that any such right shall terminate on the Expiry Date.

## 7. No Rights of Shareholder Until Exercise

This certificate and the Warrants represented hereby do not confer any rights of a shareholder on the Holder (including any right to receive dividends or other distribution to shareholders or to vote at a general meeting of the shareholders of the Corporation), other than in respect of common shares which the Holder shall have exercised his right to purchase hereunder and which the Holder shall have actually taken up and paid for.

## 8. No Fractional Shares

No fractional common shares will be issued upon exercise of the Warrants, nor shall any compensation be made for such fractional common shares, if any. To the extent that the Holder would otherwise be entitled to purchase a fraction of a common share, such right may be exercised in combination with other rights which, in the aggregate, entitle the Holder hereof to purchase a whole number of common shares.

## 9. Transfer of Warrants

The Warrants represented by this certificate and all rights granted hereunder are transferable, subject to compliance with applicable securities laws.

## 10. Adjustments

### 10.1 Adjustment Events

The number of common shares obtainable under each Warrant (the “**Exchange Rate**”) and the Exercise Price shall be adjusted from time to time as set forth below.

- (a) For the purpose of any computation under paragraph 10, the “**Current Market Price**” per common share at any date shall be the weighted average price per share for such shares for the 5 consecutive trading days before such date on the Toronto Stock Exchange (“**TSX**”) or, if the common shares are not listed on such stock exchange, on such stock exchange or over the counter market on which such common shares are listed or traded as may be selected for such purpose by the board of directors of the Corporation (the “**Board**”). The weighted average price shall be determined by dividing the aggregate sale price of all such common shares sold on the said exchange or market, as the case may be, during the said 5 consecutive trading days by the total number of such common shares so sold. If such common shares are not listed on any stock exchange or traded on an over the counter market, the Current Market Price shall be determined in good faith by the Board.
- (b) If and whenever the Corporation:
  - (i) subdivides (or redivides or changes) the outstanding common shares into a greater number of shares;
  - (ii) consolidates (or reduces or combines) the outstanding common shares into a lesser number of shares; or
  - (iii) fixes a record date to issue common shares to the holders of all or substantially all of the outstanding common shares by way of a stock dividend or other distribution payable by the issue of common shares;

the Exercise Price in effect on the effective date or on the record date, as the case may be, shall be adjusted to equal the price determined by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction of which the numerator shall be the total number of common shares outstanding immediately prior to such date and the denominator shall be the total number of common shares outstanding immediately after such event takes effect. Upon any adjustment of the Exercise Price pursuant to this section 10.1(b), the Exchange Rate shall be adjusted immediately after the effective date of such event by multiplying the number of common shares which were theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the total number of common shares outstanding immediately after such date and the denominator shall be the total number of common shares outstanding immediately prior to such date.

- (c) If and whenever the Corporation shall fix a record date for the distribution to all or substantially all of the holders of common shares of rights, options or warrants entitling them, for a period expiring not more than 90 days after such record date, to subscribe for or purchase common shares (or securities convertible or exchangeable into common shares) at a price per share (or having a conversion or exchange price per share) less than the Current Market Price on such record date, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of common shares outstanding on such record date plus a number of common shares equal to the number arrived at by dividing the aggregate proceeds of the total number of additional common shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of common shares outstanding on such record date plus the total number of additional common shares offered for subscription or purchase (or into which the convertible or exchangeable securities so offered are convertible or exchangeable). To the extent that any such rights, options or warrants are not issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number of common shares (or securities convertible or exchangeable into common shares) actually issued upon the exercise of such rights, options or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this section 10.1(c), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the denominator shall be the total number of common shares outstanding on such record date plus a number of common shares equal to the number arrived at by dividing the aggregate proceeds of the total number of additional common shares so offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the numerator shall be the total number of common shares outstanding on such record date plus the total number of additional common shares so offered for subscription or purchase (or into or for which the convertible or exchangeable securities so offered are convertible or exchangeable). To the extent that any such rights, option or warrants are not so issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exchange Rate will then be readjusted to the Exchange Rate which would then be in effect if such record date had not been fixed or to the Exchange Rate which would then be in effect based upon the number of common shares (or securities convertible into or exchangeable for common shares) actually issued upon the exercise of such rights, option or warrants, as the case may be;
- (d) if and whenever the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding common shares of:

- (i) shares of any class other than common shares, whether of the Corporation or any other corporation;
- (ii) rights, options or warrants to subscribe for or purchase common shares (excluding those referred to in section 10.1(c));
- (iii) evidences of its indebtedness; or
- (iv) assets;

then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of common shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the Board (whose determination shall be conclusive), to the holders of the common shares of such securities or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the common shares, and of which the denominator shall be the total number of common shares outstanding on such record date multiplied by such Current Market Price. To the extent that such distribution is not so made or to the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon such securities or other assets actually issued or distributed, as the case may be. Upon any adjustment of the Exercise Price pursuant to this section 10.1(d), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the denominator shall be the total number of common shares outstanding on such record date multiplied by the Current Market Price on such record date, less the aggregate fair market value (as determined by the Board at the time such distribution is authorised) of such securities or other assets so distributed, and of which the numerator shall be the total number of common shares outstanding on such record date multiplied by such Current Market Price. To the extent that such distribution is not so made or to the extent that any such rights, options or warrants so distributed are not exercised prior to the expiration thereof, the Exchange Rate will then be readjusted to the Exchange Rate which would then be in effect if such record date had not been fixed or to the Exchange Rate which would then be in effect based upon such securities or other assets actually issued or distributed, as the case may be.

- (e) If and whenever there is:
  - (i) a reclassification of the common shares or a capital reorganisation of the Corporation other than as described in section 10.1(b);
  - (ii) an amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity; or
  - (iii) a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity,

and the Holder has not exercised its right of acquisition prior to the record date or the effective date of such event, as the case may be, then upon the exercise of such right thereafter, the Holder shall be entitled to receive and shall accept, in lieu of the number of

common shares then sought to be acquired by it, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation, arrangement, or to which such sale or conveyance may be made, as the case may be, that the Holder would have been entitled to receive on such event if, on the record date or the effective date thereof, as the case may be, the Holder had been the registered holder of the number of common shares sought to be acquired by it.

- (f) In any case in which this section 10.1 shall require that an adjustment shall become effective immediately after a record date for or effective date of an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any Warrant exercised after such record date for or effective date of and before the occurrence of such event the additional common shares issuable upon such exercise by reason of the adjustment required by such event; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing the Holder's right to receive such additional common shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional common shares declared in favour of holders of record of common shares on and after the relevant date of exercise or such later date as such holder would, but for the provisions of this section 10.1(f), have become the holder of record of such additional common shares pursuant to this section 10.1.
- (g) Subject to prior approval of the TSX, in any case in which this section 10.1 requires that an adjustment be made, no such adjustment shall be made if the Holder, as holder of the Warrants, is entitled to participate in such event on the same terms mutatis mutandis as if it had exercised its purchase rights prior to the effective date or record date of such event.
- (h) The adjustments provided for in this section 10.1 are cumulative, and shall apply to successive events resulting in any adjustment under the provisions of this section 10.1, provided that, notwithstanding any other provision of this section 10.1, no adjustment shall be required unless such adjustment would require an increase or decrease of at least one per cent (1%) in the Exercise Price then in effect; provided, however, that any adjustments which by reason of this section 10.1(h) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (i) If the Corporation shall set a record date to determine the holders of common shares entitled to participate in any event contemplated by this section 10.1 and shall, thereafter and before the event actually occurs, legally abandon its plan to go forward with such event, then no adjustment in the Exercise Price or the Exchange Rate shall be required by reason of the setting of such record date.

## **10.2 Entitlement to Shares on Exercise of a Warrant**

All shares of any class or other securities which the Holder is at the time in question entitled to receive on the exercise of the Warrants, whether or not as a result of adjustments made pursuant to this section 10, shall, for the purposes of the interpretation of this certificate, be deemed to be common shares which the Holder is entitled to acquire pursuant to this certificate.

## **10.3 No Adjustment for Stock Options**

Anything in this section 10 to the contrary notwithstanding, no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of common shares is being made pursuant to any stock option, stock option plan, long term incentive plan or stock purchase plan in force from time to time for directors, officers or employees of the Corporation, or pursuant to any stock option granted by the Corporation on or prior to the date hereof.

#### **10.4 Determination by Corporation's Auditors**

In the event of any question arising with respect to the adjustments provided for in this section 10, such question shall be conclusively determined by the Corporation's auditors (or another independent firm of chartered accountants selected by the Board) who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation and the Holder and all other persons interested therein. In the event that such determination is made, the Corporation shall deliver a certificate to the Holder describing the effect of such determination.

#### **10.5 Other Adjustments**

In case the Corporation shall take any action affecting the common shares, other than an action described in this section 10, which in the opinion of the Board would have a material adverse effect on the rights of the Holder, the Exercise Price or the Exchange Rate, there shall be an adjustment in such manner, if any, and at such time, by action of the Board in its discretion as it may reasonably determine to be equitable to the Holder in such circumstances, subject to prior approval of the TSX. Failure of the taking of action by the Board so as to provide for an adjustment prior to the effective date of any action by the Corporation affecting the common shares shall be conclusive evidence that the Board has determined that it is equitable to make no adjustment in the circumstances.

#### **11. Legends on Common Shares**

The Holder acknowledges that appropriate legends, including the following, will be placed on any certificates representing any securities issued on the exercise of the Warrants represented by this certificate until, in the case of the legends required under requirements of applicable securities laws, the restricted period expires for the Warrants so represented hereby:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES MUST NOT TRADE THE SECURITIES BEFORE JANUARY 27, 2020.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE (“TSX”); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON TSX.”

#### **12. Securities Restrictions**

Notwithstanding anything herein contained, the common shares will only be issued pursuant to the exercise of any Warrant in compliance with the securities laws of any applicable jurisdiction, and without limiting the generality of the foregoing, the certificates representing the common shares thereby issued will bear such legend as may, in the opinion of counsel to the Corporation, be necessary in order to avoid a violation of any securities laws of any applicable jurisdiction or to comply with the requirements of any stock exchange on which the common shares are listed, provided that if, at any time, in the opinion of counsel to the Corporation, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at the holder's expense, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of counsel satisfactory to the Corporation) to the effect that such holder is entitled to sell or otherwise transfer such common shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Corporation in exchange for a certificate which does not bear such legend.

#### **13. Governing Law**

This certificate shall be governed by the laws of Alberta.

**14. Interpretation Not Effected by Headings**

The division of this certificate into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

**15. Severability**

If any covenant or provision herein or any portion hereof is determined to be void, unenforceable or prohibited by the law of any province or the local requirements of any provincial or federal government authority, such shall not be deemed to affect or impair the validity of any other covenant or provision herein or a portion thereof, as the case may be, nor the validity of such covenant or provision or a portion thereof, as the case may be, in any other jurisdiction.

**16. Enurement**

This certificate and all of its provisions shall enure to the benefit of the Holder and its successors or personal representatives and shall be binding upon the Corporation and its successors.

**17. Time**

Time is of the essence hereof.

[INTENTIONALLY LEFT BLANK - SIGNATURE PAGE TO FOLLOW]

**IN WITNESS WHEREOF** the Corporation has caused this certificate to be signed by a duly authorised officer effective as of September 26, 2019.

**RESVERLOGIX CORP.**

Per: \_\_\_\_\_  
A. Brad Cann, Chief Financial Officer

**EXERCISE FORM**

TO: Resverlogix Corp.

Terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Warrant certificate delivered herewith.

The undersigned hereby irrevocably exercises the right to acquire \_\_\_\_\_, common shares in accordance with and subject to the provisions of the accompanying Warrant certificate and encloses or delivers herewith payment in the amount of \$\_\_\_\_\_, representing the aggregate subscription price.

The common shares are to be issued as follows:

Name: \_\_\_\_\_  
(print clearly)

Address in full: \_\_\_\_\_  
\_\_\_\_\_

Number of common shares: \_\_\_\_\_

DATED as of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(signature of Holder)

\_\_\_\_\_  
print full name

\_\_\_\_\_  
print full address

Instructions:

1. The Holder may exercise its right to receive common shares by completing this form and surrendering this form and the certificate representing the Warrants being exercised to the Corporation at its principal office at 300, 4820 Richard Road S.W., Calgary, Alberta, T3E 6L1. Certificates for common shares will be delivered or mailed within five (5) business days after this exercise form is received by the Corporation. **The rights of the Holder cease if the Warrants are not exercised prior to the time and date specified in the Warrant certificate.**
2. If this exercise form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Corporation.

**TRANSFER FORM**

**Any transfer of Warrants will require compliance with applicable securities legislation. Transferors and transferees are urged to contact legal counsel before effecting any such transfer.**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to \_\_\_\_\_, \_\_\_\_\_ Warrants of RESVERLOGIX CORP. registered in the name of the undersigned on the records of RESVERLOGIX CORP. represented by the Warrant Certificate attached and irrevocably appoints \_\_\_\_\_ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution and confirms that the transfer is made in compliance with all applicable securities legislation and requirements of regulatory authorities.

Such certificates (please check one):

(a) \_\_\_\_\_ should be sent by first class mail to the following address  
\_\_\_\_\_  
\_\_\_\_\_

(b) \_\_\_\_\_ should be held for pick up at the office of the transfer agent at which this Warrant Certificate is deposited.

If less than all the Warrants represented by this Warrant Certificate are being transferred, the Warrant Certificate representing those Warrants not transferred will be registered in the name appearing on the face of this Warrant Certificate and such certificates (please check one):

(a) \_\_\_\_\_ should be sent by first class mail to the following address  
\_\_\_\_\_  
\_\_\_\_\_

(b) \_\_\_\_\_ should be held for pick up at the office of the transfer agent at which this Warrant Certificate is deposited.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature Guaranteed

\_\_\_\_\_  
(Signature of Warrantholder)

**SCHEDULE C  
DISCLOSURE SCHEDULE**

**Section 4.1(d)(i)**

As of the date of the Secured Convertible Debenture Investment Agreement, the representation and warranty in Section 4.1(d)(i) of the Loan Agreement is replaced with the following:

Borrower is authorized to issue (A) an unlimited number of Common Shares, of which, as of the date hereof, 209,420,046 shares are validly issued and outstanding as fully paid and non-assessable, (B) an unlimited number of preferred shares, issuable in series, of which, as of the date hereof, no preferred shares are issued and outstanding, and (C) 75,202,620 royalty preferred shares all of which are issued and outstanding. As of the date hereof, there are 34,064,690 warrants, 2,696,981 restricted share units, 155001 deferred share units and 1,378,666 options issued under the Borrower's stock option plan to acquire Common Shares that are issued and outstanding;

**Schedule 6.1(d)**

1. As soon as practical, the Investor shall have received evidence, in form and substance satisfactory to it, of the filing or recordation of the Investor's first priority security interest, in and to all Proprietary Rights, including filings in the Canadian Intellectual Property Office, the United States Patent and Trademark Office and foreign Proprietary Rights registries.
2. As soon as practical, the Investor shall have received evidence, in form and substance satisfactory to it, of the removal or deletion of any and all security interest notations (other than those in favour of the Investor) in and to all Proprietary Rights registered with the Canadian Intellectual Property Office, the United States Patent and Trademark Office, the United States Copyright Office and any foreign Proprietary Rights registries.
3. As soon as practical, the Investor shall have received, in form and substance satisfactory to it, each of the following, duly issued, created and/or executed:
  - a. postponement in favour of the Investor from Zenith Capital Corp. with respect to any distributions, remuneration or payment from the Corporation;
  - b. all necessary bailee, landlord, warehousing, bailment, or other waivers, in form and substance satisfactory to the Investor, for all locations in which Collateral is held with a third party;

**Schedule 4.8**

**[redacted]**