**Execution Copy**

June 22, 2020

# AGENCY AGREEMENT

StageZero Life Sciences Ltd.
70 East Beaver Creek Road, Unit 30
Richmond Hill, Ontario L4B 3B2

Attention: **James Howard-Tripp, Chairman and Chief Executive Officer**

Dear Sir:

The undersigned, Echelon Wealth Partners Inc. ("**Echelon**") and Clarus Securities Inc. (together with Echelon, the "**Agents**" and each an "**Agent**"), understand that StageZero Life Sciences Ltd. (the "**Corporation**") proposes to issue a minimum (the "**Minimum Offering**") of 50,000,000 units of the Corporation (the "**Units**") and up to a maximum (the "**Maximum Offering**") of 114,285,714 Units at a price of $0.07 per Unit (the "**Purchase Price**") for aggregate gross proceeds of $3,500,000 in the case of the Minimum Offering and up to $8,000,000 in the case of the Maximum Offering, pursuant to the terms of this agency agreement (this "A**greement**"). Each Unit will consist of (i) one common share in the capital of the Corporation ("**Common Shares**" or in respect of the Offering (as hereinafter defined), each, an "**Offered Share**"); and (ii) one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant shall entitle the holder thereof to purchase one Common Share (each, a "**Warrant Share**") at an exercise price of $0.09 per Warrant Share at any time before 5:00 p.m. (Toronto time) on the day that is 36 months following the Initial Closing Date (as hereinafter defined).

The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture (as hereinafter defined) to be entered into between the Warrant Agent (as hereinafter defined) and the Corporation to be dated as of the Initial Closing Date. In case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern. The Units will separate at Closing (as hereinafter defined).

The Agents also acknowledge and understand that, concurrently with and in addition to the Offering, the Corporation proposes to issue and sell up to an additional 7,608,967 Units at the Purchase Price, for additional gross proceeds of $532,628, on a non-brokered private placement basis (the "**Non-Brokered Offering**"). Notwithstanding anything to the contrary in this Agreement, the Agents have not acted, and shall not act, as agents in respect of the issue and sale of any Units pursuant to the Non-Brokered Offering and shall not be paid any fee in respect thereof.

In addition, the Corporation hereby grants to the Agents an option (the "**Over-Allotment Option**") to increase the size of the Offering by an additional number of Units that is equal to 15% of the number of Units sold hereunder at a price equal to the Offering Price (the "**Additional Units**"), to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, by the Agents at any time or times during the 30-day period immediately following the Final Closing Date (as hereinafter defined) (the "**Over-Allotment Option Expiry Date**") into: (i) Additional Units at a price of $0.07 per Additional Unit, each Additional Unit comprised of one Offered Share (each. an "**Additional Share**") and one Warrant (each, an "**Additional Warrant**", and each Additional Share issuable upon exercise of an Additional Warrant, an "**Additional Warrant Share**"); (ii) Additional Shares at a price of $0.061 per Additional Share; (iii) Additional Warrants at a price of $0.009 per Additional Warrant; or (iv) any combination of Additional Shares and Additional Warrants; so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed does not exceed 15% of the number of Offered Shares and Warrants, respectively, issued under the Offering. The Additional Units shall have the same attributes as the Units, the Additional Shares shall have the same attributes as the Offered Shares and the Additional Warrants shall have the same attributes as the Warrants. All references in this Agreement to the Units, Offered Shares, Warrants and Warrant Shares shall include the Additional Shares and Additional Warrants comprising the Additional Units and the Additional Warrant Shares issuable upon exercise of the Addition Warrants. The Units, Offered Shares, Warrants, Warrant Shares, Additional Units, Additional Shares, Additional Warrants and Additional Warrant Shares are referred to collective as the "**Offered Securities**".

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Agents, and the Agents hereby severally agree to act, as exclusive agents to the Corporation to arrange for the sale of the Offered Securities, on a marketed commercially reasonable efforts basis, to Purchasers (as hereinafter defined) resident in the Qualifying Provinces (as hereinafter defined) and in such other jurisdictions as may be agreed to by the Corporation and the Agents, provided that the Offered Securities are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of such jurisdictions. The offer and sale of the Offered Securities is referred to as the "**Offering**".

The Agents further understand that the Corporation has prepared and filed the Preliminary Prospectus (as hereinafter defined), the Amended and Restated Prospectus (as hereinafter defined) as well as the Final Prospectus (as hereinafter defined) with respect to the qualification of the Offered Securities for distribution to the public in each of the Qualifying Provinces (as hereinafter defined) and all other necessary documents in order to qualify the Offered Securities for distribution to the public in each of the Qualifying Provinces. It is understood and agreed that the Agents are under no obligation to purchase any of the Offered Securities, although the Agents may subscribe for Offered Securities if they so desire.

In consideration of the services to be rendered by the Agents in connection with the Offering hereunder, the Corporation agrees to pay to the Agents at each Closing Time (as hereinafter defined) a cash commission equal to 7% of the gross proceeds of the Offering at the applicable Closing Time (the "**Agents' Fee**"). As additional compensation for the services rendered by the Agents in connection with the Offering, the Corporation shall issue to the Agents broker's warrants (the "**Broker's Warrants**") exercisable to purchase that number of Common Shares (each, a "**Broker Share**") as is equal to 7.0% of the aggregate number of Units issued pursuant to the Offering. Each Broker's Warrant will entitle the holder thereof to acquire one Broker Share at $0.085 per Broker Share, subject to adjustment in certain customary events, at any time prior to 5:00 p.m. (Toronto time) on the date which is 36 months from the Initial Closing Date. At each Closing Time, the Corporation shall execute and deliver to the Agents certificates evidencing the Broker's Warrants (the "**Broker's Warrant Certificates**") to which the Agents are entitled, in a form to be agreed upon by the Agents and the Corporation, each acting reasonably.

Provided the Minimum Offering amount is attained, the Corporation has also agreed to grant to the Agents at the initial Closing Time a corporate finance fee (the "**Corporate Finance Fee**") of: (i) $10,000 in cash; and (ii) 130,000 common share purchase warrants (each, a "**Corporate Finance Fee Warrant**"), plus, in each case, applicable taxes. Each Corporate Finance Fee Warrant shall be exercisable into one Common Share (each, a "**Corporate Finance Fee Share**") at $0.085 per Corporate Finance Fee Share, subject to adjustment in certain customary events, at any time prior to 5:00 p.m. (Toronto time) on the date which is 36 months from the Initial Closing Date.

The parties acknowledge that the Offered Securities, the Broker's Warrants, the Broker Shares issuable upon exercise of the Broker's Warrants, the Corporate Finance Fee Warrants and the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) or any state securities laws and may not be offered or sold in the United States (as hereinafter defined) or to, or for the account or benefit of, U.S. Persons (as hereinafter defined), nor may the Warrants, the Broker's Warrants or the Corporate Finance Fee Warrants be exercised in the United States or by or on behalf of a U.S. Person, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States.

The terms and conditions relating to the purchase and sale of the Offered Securities are as follows:

## 1 <u>Definitions and Interpretation</u>

(a) In this Agreement:

"**Acceptance Period**" has the meaning given to the term in Section 7(i)(q);

"**Additional Share**" has the meaning ascribed to such term on the first page of this Agreement;

"**Additional Units**" has the meaning ascribed to such term on the first page of this Agreement;

"**Additional Warrant**" has the meaning ascribed to such term on the first page of this Agreement;

"**Additional Warrant Share**" has the meaning ascribed to such term on the first page of this Agreement;

"**affiliate**", "**distribution**", "**material change**", "**material fact**" and "**misrepresentation**" shall have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

"**Agents' Counsel**" means Wildeboer Dellelce LLP;

"**Agents' Expenses**" has the meaning given to the term in Section 10;

"**Agents' Fee**" has the meaning ascribed to such term on the second page of this Agreement;

"**Agreement**" means this agency agreement, including all schedules hereto, as it may be amended, restated or supplemented;

"**Amended and Restated Prospectus**" means the amended and restated short form prospectus dated June 2, 2020, including all of the Documents Incorporated by Reference, prepared by the Corporation and qualifying the distribution of the Offered Securities, the Broker's Warrants and the Corporate Finance Fee Warrants in the Qualifying Provinces;

"**Broker Share**" has the meaning ascribed to such term on the second page of this Agreement;

"**Broker Warrant Certificates**" has the meaning ascribed to such term on the second page of this Agreement;

"**Broker's Warrants**" has the meaning ascribed to such term on the second page of this Agreement;

"**Business**" means the business carried on by the Corporation as described in the Final Prospectus, including commercializing proprietary and third-party clinical molecular diagnostic tests, developing proprietary clinical molecular diagnostic tests for the early detection of diseases, personalized health management, with a primary focus on conducting COVID-19 Tests and cancer-related indications at the Richmond Facility;

"**Business Data**" means all data and personal information accessed, processed, collected, stored or disseminated by the Corporation or the Subsidiaries, including any Personally Identifiable Information;

"**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Toronto, Ontario;

"**CAP**" means the College of American Pathologists;

"**CLIA**" means Clinical Laboratory Improvement Amendments;

"**Closing**" means the completion of the issue and sale by the Corporation of the Units pursuant to this Agreement;

"**Closing Date**" means the date of each Closing;

"**Closing Time**" means 8:00 a.m. (Toronto time) on each Closing Date, or any other time on the applicable Closing Date as may be agreed to by the Corporation and Agents, each acting reasonably;

"**Common Share**" means one common share in the capital of the Corporation as presently constituted;

"**Corporate Finance Fee**" has the meaning ascribed to such term on the second page of this Agreement;

"**Corporate Finance Fee Share**" has the meaning ascribed to such term on the second page of this Agreement;

"**Corporate Finance Fee Warrant**" has the meaning ascribed to such term on the second page of this Agreement;

"**Corporate Finance Fee Warrant Certificates**" means the certificates representing the Corporate Finance Fee Warrants;

"**Corporation**" means StageZero Life Sciences Ltd. and includes any successor corporation to or of the Corporation;

"**COVID-19**" means the SARS-CoV-2 virus commonly known as COVID-19;

"**COVID-19 Tests**" means the PCR test and antibody test conducted by the Corporation to test for COVID-19 as described in greater detail in the Final Prospectus;

"**Current Auditors**" means BDO Canada LLP, the auditors of the Corporation, or such other duly appointed and qualified auditor appointed by the Corporation from time-to-time;

"**Data Protection Laws and Standards**" shall have the meaning ascribed thereto in Section 6(gg);

"**Data Security Breach**" shall have the meaning ascribed thereto in Section 6(gg);

"**Debt Instrument**" means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability, including any convertible debentures issued by the Corporation;

"**Documents Incorporated by Reference**" means all financial statements, management information circulars, annual information forms, material change reports, Marketing Materials, business acquisition reports or other documents issued by the Corporation, whether before or after the date of this Agreement, that are required by Applicable Securities Laws to be incorporated by reference into the Final Prospectus;

"**Due Diligence Session Responses**" has the meaning given to the term in Section 6(bbb);

"**Engagement Letter**" means the letter agreement dated as of May 19, 2020 between the Corporation and Echelon relating to the Offering;

"**Environmental Laws**" means all applicable federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, legally binding policy or rule of common law or civil law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, occupational health and safety, product safety or liability, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

"**Environmental Permits**" includes all orders, permits, certificates, approvals, consents, registrations and licences issued by any authority of competent jurisdiction under any Environmental Law;

"**Exempt Plans**" means trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts, each as defined in the *Income Tax Act* (Canada);

"**Final Closing Date**" means the date of the final Closing;

"**Final Prospectus**" means the (final) short form prospectus, including all of the Documents Incorporated by Reference, prepared by the Corporation and qualifying the distribution of the Offered Securities, the Broker's Warrants and the Corporate Finance Fee Warrants in the Qualifying Provinces;

"**Financial Statements**" has the meaning given to the term in Section 6(w);

"**Financing**" has the meaning given to the term in Section 7(i)(q);

"**Former Auditors**" means Marcum LLP, former auditors of the Corporation;

"**Governmental Body**" means any federal, provincial, state, municipal, county or regional governmental or quasi-governmental authority, domestic or foreign, and includes any ministry, department, court, tribunal, arbitral body, commission, bureau, board, administrative or other agency or regulatory body or instrumentality thereof, any quasi-governmental body or private body exercising regulatory, expropriation or taxing authority under or for the account, if any, of the foregoing and any self-regulatory authority and, for greater certainty, includes the Securities Commissions, the Food and Drug Administration and Centers for Medicare & Medicaid Services;

"**Hazardous Materials**" means chemicals, pollutants, contaminants, asbestos, wastes, toxic substances, hazardous substances, petroleum or petroleum products;

"**Healthcare Laws**" means the Federal Food, Drug, and Cosmetic Act and the Clinical Laboratory Improvement Amendments of 1988 and regulations and enforcement under these statutes;

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

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

"**Intellectual Property**" means all trade or brand names, business names, trademarks, service marks, copyrights, patents, patent rights, licenses, industrial designs, drug identification numbers (and equivalents in jurisdictions other than Canada), know-how (including trade secrets and other unpatented or unpatentable proprietary or confidential information, systems or procedures), computer software, inventions, designs and other industrial or intellectual property of any nature whatsoever;

"**Initial Closing Date**", the date of the initial Closing, which will occur on or about June 25, 2020, or such other date as may be agreed to by the Corporation and the Agents, each acting reasonably;

"**Investor Presentation**" means the investor presentation of the Corporation filed on SEDAR by the Corporation on June 1, 2020 and the amended investor presentation of the Corporation filed on SEDAR on June 2, 2020;

"**Laws**" means any and all applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws; (ii) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Body; and (iii) to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Body;

"**Leased Premises**" means the premises which are material to the Corporation or any of the Subsidiaries and which the Corporation or a Subsidiary occupies as a tenant, including the Richmond Facility;

"**Licensed Intellectual Property**" means all Intellectual Property owned by another party that is used by the Corporation or the Subsidiaries, including all Intellectual Property that is embedded in or used in conjunction with the products or technology of the Corporation and the Subsidiaries;

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

"**Marketing Materials**" has the meaning ascribed thereto in National Instrument 41-101 – *General Prospectus Requirements*;

"**Material Adverse Effect**" means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy, circumstance, development or effect that is materially adverse to the business, assets (including intangible assets), capitalization, liabilities (contingent or otherwise), condition (financial or otherwise), prospects or results of operations of the Corporation and its Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business;

“**Material Contract**” means any material Debt Instrument, indenture, contract, commitment, agreement (written or oral), instrument, lease, joint operating agreement, option, joint venture agreement or other document, including license agreements and agreements relating to intellectual property, to which the Corporation or any Subsidiary are a party or by which any one of them are bound;

“**Non-Brokered Offering**” has the meaning ascribed to such term on the first page of this Agreement;

“**Offered Securities**” has the meaning ascribed to such term on the second page of this Agreement;

“**Offered Share**” has the meaning ascribed to such term on the first page of this Agreement;

“**Offering**” has the meaning ascribed to such term on the second page of this Agreement;

“**Offering Documents**” means, collectively, the Preliminary Prospectus, the Amended and Restated Prospectus, the Final Prospectus, the Marketing Materials and any Supplementary Material;

“**Offering Price**” has the meaning ascribed to such term on the second page of this Agreement;

“**Option Closing**” has the meaning given to the term in Section 15(a);

“**Option Closing Date**” has the meaning given to the term in Section 15(a);

“**Option Closing Time**” has the meaning given to the term in Section 15(a);

“**Option Notice**” has the meaning given to the term in Section 15(a);

“**Over-Allotment Option**” has the meaning ascribed to such term on the first page of this Agreement;

“**Over-Allotment Option Expiry Date**” has the meaning ascribed to such term on the first page of this Agreement;

“**Owned Intellectual Property**” means all Intellectual Property that is owned by the Corporation or the Subsidiaries;

“**Owned Real Property**” means the real property owned by Corporation or any Subsidiary;

“**Passport System**” means the system for review of prospectus filings set out in Multilateral Instrument 11-102 – *Passport System* and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

“**Permitted Liens**” means any of the following that do not adversely affect the present use or value of the property affected thereby: (i) liens for taxes not yet due, (ii) other assessments and governmental charges not yet due, (iii) liens that can be (but have not yet been) filed by builders, mechanics, repairers or similar Persons in respect of services performed or goods provided in the ordinary course of business, (iv) easements, covenants, rights of way and other restrictions that are registered as of the date of this Agreement, and (v) transfer restrictions imposed on securities by applicable Law;

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

"**Personally Identifiable Information**" means any information relating to an identified or identifiable natural person (including without limitation any information protected under Data Protection Laws and Standards, such as name, postal address, email address, telephone number, date of birth, Social Security number (or its equivalent), driver's license number, account number, credit or debit card number or identification number);

"**Personnel**" has the meaning given to that term in Section 12(a);

"**Pre-Closing Due Diligence Session**" has the meaning given to that term in Section 6(bbb);

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation dated June 1, 2020, including all of the Documents Incorporated by Reference, prepared by the Corporation and relating to the distribution of the Offered Securities and for which a receipt has been issued by the Principal Regulator and a deemed receipt has been issued by the Securities Regulators in each of the Qualifying Provinces pursuant to the Passport System;

"**Principal Regulator**" means the Ontario Securities Commission;

"**Public Record**" means all information filed by or on behalf of the Corporation with a securities commission that is accessible to the public on www.sedar.com;

"**Purchasers**" means, collectively, each of the purchasers of the Offered Securities pursuant to the Offering including, if applicable, the Agents;

"**Qualifying Provinces**" means, collectively, British Columbia, Alberta and Ontario;

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

"**Richmond Facility**" means the Corporation's clinical reference laboratory specializing in personalized blood-based tests to find, understand and treat cancers and other diseases as well as conduct COVID-19 Testing, which operates from a single facility in Richmond, Virginia, United States, as described in more detail in the Final Prospectus;

"**Right of First Refusal**" has the meaning given to the term in Section 7(i)(q);

"**Right of First Refusal Period**" has the meaning given to the term in Section 7(i)(q);

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

"**Securities Commissions**" means, collectively, the Principal Regulator and the securities regulatory authorities in the Qualifying Provinces;

"**Securities Laws**" means, unless the context otherwise requires, all applicable securities laws in each of the Qualifying Provinces and the applicable securities laws of all other jurisdictions other than the Qualifying Provinces in which the Offered Securities are offered for sale, as applicable, and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such jurisdictions, and "**Applicable Securities Laws**" means the Securities Laws in each of the Qualifying Provinces;

"**Securities Regulators**" means, collectively, the Securities Commissions and the securities regulators or other securities regulatory authorities in any jurisdictions in which the Offered Securities are offered for sale;

"**Selling Firm**" has the meaning given to the term in Section 2(b);

"**Standard Listing Conditions**" has the meaning given to the term in Section 4(a)(iv);

"**Subsequent Disclosure Documents**" means any financial statements, management information circulars, annual information forms, material change reports, Marketing Materials, business acquisition reports or other documents issued by the Corporation after the date of this Agreement that are required by Applicable Securities Laws to be incorporated by reference in the Final Prospectus;

"**Subsidiaries**" has the meaning given to the term in Section 6(b);

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

"**Taxes**" has the meaning given to the term in Section 6(z);

"**Transaction Documents**" has the meaning given to the term in Section 6(qq);

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

"**United States**" means the United States of America, its territories and possessions and any State of the United States;

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

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

"**Warrant**" has the meaning ascribed to such term on the first page of this Agreement;

"**Warrant Agent**" means TSX Trust Company;

"**Warrant Indenture**" means the warrant indenture to be entered into on the Initial Closing Date between the Corporation and the Warrant Agent; and

"**Warrant Share**" has the meaning ascribed to such term on the first page of this Agreement.

(b) *Prospectus Defined Terms.* Capitalized terms used but not defined herein have the meanings ascribed to them in the Final Prospectus.

(c) *Divisions and Headings.* The division of this Agreement into Sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections, subsections, paragraphs and other subdivisions are to Sections, subsections, paragraphs and other subdivisions of this Agreement.

(d) *Number and Gender.* All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.

(e) *Currency.* Any reference in this Agreement to $ or to dollars shall refer to the lawful currency of Canada, unless otherwise specified.

(f) *Knowledge.* The phrases "knowledge of the Corporation" or "to the Corporation's knowledge" or similar expressions, mean the actual knowledge of the Chairman, Chief Executive Officer or Chief Financial Officer of the Corporation after due inquiry.

## 2 The Offering

(a) The sale of the Offered Securities to the Purchasers shall be effected in a manner that is in compliance with Securities Laws and upon the terms set out in the Final Prospectus and in this Agreement. The Agents will use their best efforts to arrange for Purchasers for the Offered Securities in the Qualifying Provinces and in those jurisdictions outside of Canada as may be agreed upon by the Corporation and the Agents, each acting reasonably, in connection with the Offering.

(b) The Corporation agrees that the Agents shall have the right to invite one or more investment dealers (each, a "**Selling Firm**") to form a selling group to participate in the soliciting of offers to purchase the Offered Securities. The Agents have the exclusive right to control all compensation arrangements between the members of the selling group. The Corporation grants all of the rights and benefits of this Agreement to any Selling Firm so appointed by the Agents and appoints the Agents as trustees of such rights and benefits for such Selling Firms, and the Agents hereby accept such trust and agree to hold such rights and benefits for and on behalf of such Selling Firms.

(c) The Agents shall ensure that any Selling Firm appointed pursuant to the provisions of subsection 2(b), if any, shall: (i) be compensated by the Agents from their compensation hereunder; and (ii) agree to comply with the covenants and obligations given by the Agents herein.

(d) The Corporation represents and warrants to the Agents that the Corporation has prepared and filed the Preliminary Prospectus, the Amended and Restated Prospectus, the Final Prospectus and other related documents (including, without limitation, any Marketing Materials) and has obtained pursuant to the Passport System a receipt or deemed receipt therefor in each of the Qualifying Provinces in order to qualify the Offered Securities, the Broker's Warrants and the Corporate Finance Fee Warrants for distribution in each of the Qualifying Provinces and until the day on which the distribution of the Offered Securities, the Broker's Warrants and the Corporate Finance Fee Warrants is completed, the Corporation will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Applicable Securities Laws to qualify the distribution of the Offered Securities, the Broker's Warrants and the Corporate Finance Fee Warrants in the Qualifying Provinces.

(e) The Agents have delivered one copy of the Final Prospectus (together with any Supplementary Material, if any) to all persons resident in the Qualifying Provinces who are to acquire the Offered Securities.

(f) The Corporation has permitted the Agents to review the Final Prospectus and to conduct such due diligence investigations necessary to fulfil their obligations as agents under applicable Securities Laws and in order to enable the Agents to responsibly execute the certificate in the Final Prospectus required to be executed by them.

(g) The Corporation and the Agents, on a several basis, covenant and agree:

(i) not to provide any potential investor of Offered Securities with any Marketing Materials unless a template version of such Marketing Materials has been filed by the Corporation with the Securities Commissions on or before the day such Marketing Materials are first provided to any potential investor of Offered Securities;

(ii) not to provide any potential investor with any materials or information in relation to the Offering or the Corporation other than: (A) such Marketing Materials that have been approved and filed in accordance with this Section 2; (B) the Preliminary Prospectus, the Amended and Restated Prospectus or the Final Prospectus or any Supplementary Material; and (C) any "standard term sheets", as defined in NI 41-101, approved in writing by the Corporation and the Agents; and

(iii) that any Marketing Materials approved and filed in accordance with this Section 2 and any standard term sheets approved in writing by the Corporation and the Agents shall only be provided to potential investors in the Qualifying Jurisdictions where the provision of such Marketing Materials or standard term sheets does not contravene Applicable Securities Laws.

(h) The Corporation and the Agents acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, nor may the Warrants, the Broker's Warrants or the Corporate Finance Fee Warrants be exercised in the United States or by or on behalf of a U.S. Person, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States.

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

(a) The Agents have complied with and shall, and shall require any Selling Firm to agree to, comply with the Securities Laws in connection with the distribution of the Offered Securities and shall offer the Offered Securities upon the terms and conditions set out in the Final Prospectus and this Agreement. The Agents have and shall, and shall require any Selling Firm to, directly offer for sale to the public and sell the Offered Securities only in those jurisdictions where they may be lawfully offered for sale. The Agents shall (i) use commercially reasonably efforts to complete and cause each Selling Form to complete the distribution of the Offered Securities as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in their opinion, the Agents and the Selling Firms have ceased distribution of the Offered Securities and provide a breakdown of the number of Offered

Securities distributed in each of the Qualifying Provinces (and any other applicable jurisdiction where the Offered Securities have been distributed) where such breakdown is required for the purpose of calculating fees payable to Securities Regulators.

(b) The Agents shall, and shall require any Selling Firm to agree to, distribute the Offered Securities in a manner which complies with and observes all applicable laws and regulations, including, for greater certainty, all Securities Laws in each jurisdiction into and from which they may offer to sell the Offered Securities or distribute the Final Prospectus or any Supplementary Material in connection with the distribution of the Offered Securities and will not, directly or indirectly, offer, sell or deliver any Offered Securities or deliver the Final Prospectus or any Supplementary Material to any person in any jurisdiction other than in the Qualifying Provinces unless agreed to in accordance with Section 3(a) hereof and completed in a manner which will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar requirements under the applicable Securities Laws of such other jurisdictions or pay any additional governmental filing fees which relate to such other jurisdictions.

(c) For the purposes of this Section 3, the Agents and any Selling Firm shall be entitled to assume that the Offered Securities are qualified for distribution in any Qualifying Province where a receipt or similar document for the Final Prospectus shall have been obtained or deemed to have been obtained from the applicable Securities Regulators (including a receipt from the Principal Regulator issued under the Passport System evidencing that a deemed receipt has been issued for the Final Prospectus by each of the Securities Regulators in the Qualifying Provinces) following the filing of the Final Prospectus unless otherwise notified in writing.

(d) If one of the Agents is in default under this Section 3, and the other Agent is not in default, the other Agent shall have no liability to the Corporation for the Agent that is in default.

## 4 <u>Deliveries on Filing and Related Matters</u>

(a) The Corporation shall deliver to the Agents:

(i) a copy of the Final Prospectus signed and certified by the Corporation and Agents as required by Applicable Securities Laws;

(ii) a copy of any other document filed with, or delivered to, Securities Regulators under applicable Securities Laws in connection with the Offering;

(iii) a "long-form" comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents and the directors of the Corporation from each of the Current Auditors and the Former Auditors with respect to financial and accounting information relating to the Corporation contained in the Final Prospectus, which letters shall be based on a review by the each of the Current Auditors and Former Auditors within a cut-off date of not more than two Business Days prior to the date of the letters and which letters shall be in addition to the auditors' consent letters and any comfort letter addressed to the Securities Regulators in the Qualifying Provinces; and

(iv) copies of correspondence indicating that the application for the listing and posting for trading on the TSX of: (i) the Offered Shares (including any Additional Shares issuable upon exercise of the Over-Allotment Option); (ii) the Warrants (including any Additional Warrants issuable upon exercise of the Over-Allotment Option); (iii) the Warrant Shares (including any Additional Warrant Shares issuable upon exercise of the Warrants, upon exercise of the Over-Allotment Option); (iv) the Broker Shares issuable upon exercise of the Broker's Warrants and the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants, has been approved, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSX (the "**Standard Listing Conditions**").

(b) The Corporation has delivered to the Agents signed copies of all Supplementary Material, if any. The Corporation has delivered to the Agents, with respect to such Supplementary Material or Subsequent Disclosure Document, to the extent that such Supplementary Material contains any financial and accounting information, a comfort letter substantially similar to that referred to in subsection 4(a)(iii).

(c) The Corporation confirms that it has or will deliver to the Agents copies of the Preliminary Prospectus, the Amended and Restated Prospectus and the Final Prospectus signed as required by Applicable Securities Laws.

(d) During the period commencing on the date hereof and until completion of the distribution of the Offered Securities, the Corporation will promptly provide to the Agents drafts of any press releases of the Corporation for review by the Agents.

(e) The Corporation has filed with the TSX all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals for: (i) the Offered Shares (including any Additional Shares issuable upon exercise of the Over-Allotment Option); (ii) the Warrants (including any Additional Warrants issuable upon exercise of the Over-Allotment Option); (iii) the Warrant Shares (including any Additional Warrant Shares issuable upon exercise of the Additional Warrants, upon exercise of the Over-Allotment Option); (iv) the Broker Shares issuable upon exercise of the Broker's Warrants and the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants, to be conditionally listed on the TSX, subject only to the Standard Listing Conditions.

## 5 Material Changes

(a) The Corporation will promptly inform the Agents during the period prior to the completion of the distribution of the Offered Securities of the full particulars of:

(i) any material change (actual, anticipated, threatened, contemplated, or proposed by, to, or against) in the condition (financial or otherwise), assets, liabilities (contingent or otherwise), business, affairs, operations, properties, capital or prospects of the Corporation and the Subsidiaries, taken as a whole;

(ii) any material fact that has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had that fact arisen or been discovered on, or prior to, the date of the Offering Documents, as the case may be;

(iii) any legislative, regulatory or administrative policy or guideline changes which, if implemented could have a material effect upon the Corporation's operations or the manner in which the Corporation carries on business; and

(iv) any change in any material fact or any misstatement of any material fact contained in any of the Offering Documents, or the existence of any new material fact, in each case which is of a nature as to render any of the Offering Documents misleading or untrue in any material respect or would result in a misrepresentation therein.

(b) The Corporation shall comply with the prospectus amendment requirements of Section 6.6 of National Instrument 41-101 – *General Prospectus Requirements* and Section 57 of the *Securities Act* (Ontario), and the Corporation will prepare and file promptly any Supplementary Material which may be necessary and will otherwise comply with all legal requirements necessary to continue to qualify the Offered Securities for distribution in each of the Qualifying Provinces.

(c) In addition to the provisions of subsections 5(a) and 5(b) hereof, the Corporation shall in good faith discuss with the Agents any change, event or fact contemplated in subsections 5(a) and 5(b) which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Agents under subsection 5(a) hereof and shall consult with the Agents with respect to the form and content of any Supplementary Material proposed to be filed by the Corporation, it being understood and agreed that no such amendment or other Supplementary Material shall be filed with any Securities Regulator prior to the review thereof by the Agents.

(d) If during the period of distribution of the Offered Securities there shall be any change in applicable Securities Laws which, in the opinion of the Agents, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Agents, the Corporation shall, to the satisfaction of the Agents, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate Securities Regulators where such filing is required.

## 6 <u>Representations and Warranties of the Corporation</u>

The Corporation represents and warrants to the Agents and the Purchasers, and acknowledges that they are relying upon such representations and warranties and covenants in purchasing the Offered Securities, as follows:

(a) the Corporation is a corporation duly incorporated and validly existing under the laws of the Province of Ontario and has all necessary corporate power and authority to own, lease and operate its properties and assets, to carry on the Business as it is currently conducted and proposed to be conducted, to enter into and perform its obligations under the this Agreement, and any other material agreement to which it is a party, to undertake the Offering and all other transactions contemplated herein and is not in default of its corporate filings, and, to the knowledge of the Corporation, no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding-up;

(b) the Corporation has no direct or indirect subsidiaries (as such term is defined in the *Securities Act* (Ontario)) other than the following (collectively, the "**Subsidiaries**" and each, a "**Subsidiary**") each of which is duly incorporated and validly existing under the laws of the jurisdiction in which it is incorporated and has all necessary corporate power and authority to own, lease and operate its properties and assets, to carry on the Business as it is currently conducted and proposed to be conducted, to perform its obligations under each material agreement to which it is a party and is not in default of its corporate filings:

| Subsidiary | Corporate Jurisdiction | Percentage Ownership |
|---|---|---|
| StageZero Holdings Inc. | Delaware | 100% |
| StageZero Life Sciences Inc. | Delaware | 100% |

(c) the Corporation controls all of the issued and outstanding shares of the Subsidiaries free and clear of all encumbrances, claims or demands whatsoever and no person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or any Subsidiary of any interest in any of the shares in the capital of any Subsidiary. All of the issued and outstanding shares of the Subsidiaries are outstanding as fully paid and non-assessable shares;

(d) other than the Subsidiaries, the Corporation does not have material investment or proposed investment in any person;

(e) the corporate records and minute books of the Corporation and each of its Subsidiaries are complete and accurate in all material respects and contain the minutes of all meetings and all resolutions of directors and shareholders of the Corporation and each of its Subsidiaries (in each case, subject to ordinary course updating to be completed both before and after the Closing);

(f) the authorized capital of the Corporation consists of an unlimited number of common shares of which 317,736,004 Common Shares are issued and outstanding as of the date hereof, all of which shares are fully paid and non-assessable;

(g) other than pursuant to the provisions of this Agreement or as set forth in this Section 4(f), as of the date of this Agreement, no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement, option or right for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of the Corporation other than (i) outstanding stock options issued to directors, officers, employees and key consultants of the Corporation under the Corporation's stock option plan exercisable into 28,885,235 Common Shares; (ii) common share purchase warrants exercisable into 79,707,991 Common Shares; (iii) $1,180,000 aggregate principal amount of convertible debentures convertible into an aggregate of 29,500,000 units of the Corporation at a price of $0.04 per unit, with each such unit comprised of one Common Share and one-half of one Common Share purchase warrant, and with each whole such warrant exercisable into one Common Share at an exercise price of $0.07 per Common Share; and (iv) US$250,000 aggregate principal amount of convertible notes, which, together with interest accrued thereon, is convertible as at the date hereof into an aggregate of 6,062,967 Common Shares at a price of $0.05818 per Common Share based on the conversion of principal and interest from United States dollars to Canadian dollars at the Bank of Canada's exchange rate on October 24, 2018 of 1.3029;

(h) to the knowledge of the Corporation, there are no shareholders' agreements, voting trusts, proxy or other agreements governing the rights of shareholders of the Corporation. The holders of the outstanding Common Shares of the Corporation are not entitled to pre-emptive or other rights to subscribe for the Common Shares, including after exercise or conversion of any security or right to acquire any security;

(i) the Corporation and each of the Subsidiaries, has conducted and is conducting its Business in compliance in all material respects with all applicable Laws of each jurisdiction in which its Business is carried on and is duly licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on Business to enable its Business to be carried on as it is now conducted and its property and assets to be owned, leased or operated, and all such licenses, registrations or qualifications are valid and existing and in good standing;

(j) the Richmond Facility is CLIA certificated and CAP accredited, continues to be in compliance with the CLIA certification and CAP accreditation and neither the Corporation nor any Subsidiary has reason to believe the Richmond Facility should fail any audit for either certification;

(k) the Corporation is not in default or breach of, and the execution and delivery of, and the compliance with the terms of, the Transaction Documents to which it is a party, the fulfillment of the terms thereof by it and the completion of the transactions contemplated therein, and the issuance, sale and delivery of the Offered Securities, the Broker's Warrants, the Broker Shares issuable upon exercise of the Broker's Warrants, the Corporate Finance Fee Warrants and the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants by the Corporation hereunder do not and will not result in a material breach of, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a material breach of, and do not and will not conflict with: (i) any statute, rule or regulation applicable to the Corporation including, without limitation, Securities Laws and the policies, rules and regulations of the TSX; (ii) any of the terms, conditions or provisions of the constating documents or by-laws or resolutions of the Corporation; (iii) any Material Contract to which the Corporation or any Subsidiary is a party or by which the Corporation or any Subsidiary is or will be contractually bound as of the initial Closing Time; (iv) any judgment, decree or order binding on the Corporation or any Subsidiary or any of their respective properties or assets; or (v) require any consent, authorization, registration or qualification of or with any Governmental Body, Securities Commission or other regulatory commission or agency or any third party except those that have been obtained (or will be obtained prior to the initial Closing Time);

(l) all Material Contracts to which the Corporation and any of the Subsidiaries is a party are in good standing and in full force and effect and no material default or breach exists in respect of any of them on the part of any of the parties to them and, to the knowledge of the Corporation, no event has occurred which, after the giving of notice or the lapse of time or both would constitute such a default or breach and which would have a Material Adverse Effect; the foregoing includes all the presently outstanding Material Contracts entered into by the Corporation and the Subsidiaries in the course of carrying out their operations and all operations related thereto;

(m) there has not been any material change in the consolidated assets, liabilities or obligations (absolute, contingent or otherwise) of the Corporation from the position set forth in the Financial Statements (as hereinafter defined) and there has not been any adverse material change in the business, operations, capital or condition (financial or otherwise) or results of the operations of the Corporation since December 31, 2019, and since that date, except as publicly disclosed, there have been no material facts, transactions, events or occurrences relating directly to the Corporation which could reasonably be expected to materially adversely affect the capital, assets, liabilities (absolute, accrued, contingent or otherwise), business, operations or condition (financial or otherwise) or results of the operations of the Corporation;

(n) the Corporation has not approved, is not contemplating, has not entered into, and has no knowledge of:

(i) a change of control (by sale or transfer of shares or sale of all or substantially all of the assets or otherwise) of the Corporation;

(ii) a proposed or planned disposition of any securities by any insider or any shareholder who owns, directly or indirectly, 5% or more of the issued and outstanding securities of the Corporation; or

(iii) any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming such, for the purchase, sale, transfer or other disposition of any material property or assets or any interest therein owned directly or indirectly by the Corporation;

(o) no acquisitions or dispositions have been made by the Corporation or its Subsidiaries in the three most recently completed fiscal years that are "significant acquisitions" or "significant dispositions", and the Corporation is not a party to and has not approved the entering into of any contract or agreement with respect to any acquisition or disposition of material property or assets which would require disclosure under Securities Laws;

(p) as at the date hereof the Corporation has no reason to believe that any Person intends to cease dealing with the Corporation or its Subsidiaries on substantially the same terms as such Person presently deals with the Corporation, which may have or result in a Material Adverse Effect;

(q) the Corporation and each of its Subsidiaries have good title to all real, immovable, personal and movable properties owned by it, free and clear of all Liens of any kind except for Permitted Liens;

(r) there are no actions, suits, judgements, proceedings, investigations or inquiries of any kind whatsoever outstanding, pending or to the best of the Corporation's knowledge, threatened against or affecting the Corporation or the Subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, which could have a Material Adverse Effect, and the Corporation has no knowledge of any basis on which any such matter might be commenced with any reasonable likelihood of success;

(s) the Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its securities of any class, and has not directly or indirectly, redeemed, purchased or otherwise acquired any of its Common Shares or securities or agreed to do so. Other than restrictions under Securities Laws, there is no restriction on or impediment to the declaration or payment of any dividend or other distribution on the shares in the constating documents of the Corporation or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party;

(t) other than as disclosed in the Public Record, the Corporation does not owe any material amount to, nor has the Corporation made any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or security holder of the Corporation or any of its affiliates or any Person not dealing at "arm's-length" (as such term is defined in the *Income Tax Act* (Canada)) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of the

Business. Except for usual arrangements made in the ordinary and normal course of the Business, the Corporation is not a party to any material contract, agreement or understanding with any officer, director, employee or security holder of the Corporation or any of its affiliates or any other Person not dealing at arm's-length with the Corporation;

(u) policies of insurance issued by insurers of recognized financial responsibility are maintained in respect of the operations, properties and assets, employees, directors and officers of the Corporation in such amounts and covering such risks as are prudent and customary in the Business. All such policies of insurance are in full force and effect and no material default exists under such policies of insurance as to the payment of premiums or otherwise under the terms of any such policy, there are no material claims by the Corporation under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; to the knowledge of the Corporation, the Corporation will be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its Business. The Corporation has not been denied any insurance coverage which it has sought or for which it has applied;

(v) the Corporation is in compliance in all respects with its timely and continuous disclosure obligations under the securities laws of the Provinces of British Columbia, Alberta and Ontario and the policies, rules and regulations of the TSX;

(w) the audited consolidated financial statements of the Corporation as at and for the financial period ended December 31, 2019 and the unaudited amended and restated condensed consolidated interim financial statements of the Corporation as at and for the financial period ended March 31, 2020 (collectively, the "**Financial Statements**"): (i) are, in all material respects, consistent with the books and records of the Corporation; (ii) have been prepared in accordance with IFRS consistently applied throughout the periods referred to therein; and (iii) present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise as required by IFRS) of the Corporation as at such dates and the results of its operations and its cash flows for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation in accordance with IFRS and, there has been no change in accounting policies or practices of the Corporation since December 31, 2019. The Corporation is not aware of any fact or circumstance presently existing that would render such Financial Statements and financial information materially incorrect;

(x) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that transactions are executed in accordance with management's general or specific authorization, and transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS;

(y) the Current Auditors and the Former Auditors of the Corporation are, and were during the period covered by their reports, independent public accountants as required under applicable Securities Laws and there has never been a reportable disagreement with the meaning of National Instrument 51-102 between the Corporation and either the Current Auditors or the Former Auditors;

(z) except as disclosed in the Public Record, all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable or required to be collected or withheld and remitted, by the Corporation and its subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. The Corporation has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of the Corporation or its subsidiaries that are material, and there are no audits pending of the tax returns of the Corporation or its Subsidiaries (whether federal, state, provincial, local or foreign). Except to the extent that failure to do so would not have a Material Adverse Effect, all tax returns, declarations, remittances and filings required to be filed by the Corporation have been filed with all appropriate Governmental Body and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of the Corporation, no examination of any tax return of the Corporation is currently in progress and there are no issues or disputes outstanding with any Governmental Body respecting any taxes that have been paid, or may be payable, by the Corporation. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Corporation;

(aa) there are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Corporation or the Subsidiaries with unconsolidated entities or other persons;

(bb) the Corporation and its Subsidiaries do not have any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Public Record, including in the financial statements of the Corporation contained in the Public Record and the notes thereto;

(cc) the Corporation holds the entire right, title and interest in and to all of the Owned Intellectual Property free and clear of all Liens;

(dd) (i) to the best of the Corporation's knowledge, the Corporation has the exclusive and unfettered right to use the Owned Intellectual Property; (ii) all patents pending and registered trademarks included in the Owned Intellectual Property have been duly registered or applications to register the same have been filed in all appropriate offices and any such applications or registrations are in good standing; (iii) to the best of the Corporation's knowledge, the Corporation has the exclusive right to use the Licensed Intellectual Property (other than commercial off-the-shelf software licensed to the Corporation); (iv) all licenses to third parties of Owned Intellectual Property provide non-exclusive rights to use the relevant Intellectual Property; (v) the Corporation is not a party to any agreement or commitment to pay any royalty or other fee to use the Licensed Intellectual Property; (vi) the Owned Intellectual Property is valid and the rights of the Corporation in the Owned Intellectual Property are enforceable; (vii) to the best of the Corporation's knowledge, all applications for registration of any Owned Intellectual Property are in good standing, stand in the name of the Corporation or a Subsidiary and have been filed in a materially timely manner in the appropriate offices to preserve the rights thereto and, in the case of a provisional application, the Corporation confirms that all right, title and interest in and to the invention(s) disclosed in such application have been assigned in writing (without any express right to revoke such assignment) to the Corporation or a Subsidiary, and the Corporation has prosecuted, and is prosecuting, such applications diligently; and (viii) all registrations of the Owned Intellectual Property are in good standing and are recorded in the name of the Corporation or a Subsidiary in the appropriate offices to preserve the rights thereto, and to the best of the Corporation's knowledge, all such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in material compliance with all applicable legal requirements. No registration of the Owned Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, except where such expiration, abandonment, cancellation, expungement or lapse would not materially impact the Corporation, any Subsidiary or their property or assets. The Owned Intellectual Property and the Licensed Intellectual Property is all of the Intellectual Property used in or required for the proper carrying on of the Business of the Corporation and the Subsidiaries and neither the Corporation nor any Subsidiary has received any notice or claim (whether written, oral or otherwise) challenging its ownership or right to use of any Owned Intellectual Property or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto, nor, to the knowledge of the Corporation, is there a reasonable basis for any claim that any person other than the Corporation or the Subsidiaries has any claim of legal or beneficial ownership or other claim or interest in any Owned Intellectual Property;

(ee) to the Corporation's knowledge, neither the use of the Owned Intellectual Property nor the conduct of the Business of the Corporation or the Subsidiaries infringes or otherwise violates the Intellectual Property rights of any other Person. To the best of the Corporation's knowledge, no infringement, misuse or misappropriation of the Owned Intellectual Property has occurred or is occurring;

(ff) all testing, product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation or the Subsidiaries in connection with their Business is being conducted in compliance, in all respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed Business, including but not limited to CLIA and CAP regulations, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all respects;

(gg) the Corporation and the Subsidiaries' use or handling of Business Data at all times did not and does not violate any applicable law or industry standards, including without limitation, (a) any laws relating to the collection and/or protection of Personally Identifiable Information (including without limitation the *Personal Information Protection and Electronic Documents Act*, and all United States federal and state privacy laws that may be applicable in the jurisdictions in which the Corporation operates), and (b) binding guidance issued by a Governmental Body that pertains to one of the laws, rules or standards outlined in clause (a) (collectively "**Data Protection Laws and Standards**"). The Corporation and the Subsidiaries have each provided adequate notice and obtained any necessary consents required for the collection, processing, recording, organization, storage, use, disclosure and dissemination of Business Data under and in compliance with applicable law, including without limitation, Data Protection Laws and Standards. Neither the Corporation nor any Subsidiary has received any written notice that the Corporation or any Subsidiary is or may be in violation of any Data Protection Laws and Standards. Neither the Corporation nor the Subsidiaries have distributed or displayed any Business Data in breach of any contract. To the knowledge of the Corporation, the Corporation and the Subsidiaries' privacy policies accurately described the Corporation and the Subsidiaries' use, collection, display and distribution of any Personally Identifiable Information and comply with all applicable Data Protection Laws and Standards. The Corporation and the Subsidiaries' operations of their respective business has at all times been consistent with and compliant with the then-current version of the Corporation and the Subsidiaries' privacy policies. The Corporation and the Subsidiaries have implemented all necessary technical, physical and organizational measures and taken all steps in accordance with all Data Protection Laws and Standards to secure their websites, services and Business Data from unauthorized access or unauthorized use by any Person. To the knowledge of the Corporation, there has been no unauthorized or illegal access, use or disclosure of any Business Data (a "**Data Security Breach**"). The Corporation and the Subsidiaries have made all notifications to customers or individuals or Governmental Body required to be made by the Corporation and the Subsidiaries by any applicable law arising out of or relating to any event of access to or acquisition of any Business Data by an unauthorized Person, including to the knowledge of the Corporation, third parties and employees of the Corporation and the Subsidiaries acting outside of the scope of their authority or authorization in a manner which violates applicable law, including without limitation Data Protection Laws and Standards. Neither the Corporation nor the Subsidiaries have provided copies of or access to Business Data to any Person who has not entered into a contract with the Corporation or the Subsidiaries, as applicable, to use, receive or view Business Data Where the Corporation or the Subsidiaries uses a third party to process Business Data, the processor has provided guarantees, warranties or covenants in relation to the processing of Personally Identifiable Information that are sufficient for the Corporation and the Subsidiaries' compliance with all applicable Data Protection Laws and Standards and the Corporation and the Subsidiaries' privacy policies, as applicable, and to the knowledge of the Corporation each such data processor complies with the requirements of applicable Data Protection Laws and Standards;

(hh) no union has been accredited or otherwise designated to represent any employees of the Corporation or any of the Subsidiaries and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or any of the Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the Corporation's facilities and none is currently being negotiated by the Corporation or any of the Subsidiaries;

(ii) the Corporation has satisfied all obligations under, and there are no outstanding defaults or violations with respect to, and no taxes, penalties, or fees are owing or eligible under or in respect of, any employee benefit, incentive, pension, retirement, stock option, stock purchase, stock appreciation, health, welfare, medical, dental, disability, life insurance and similar plans, arrangements or practices relating to the current or former employees, officers or directors of the Corporation maintained, sponsored or funded by them, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered and all contributions or premiums required to be paid thereunder have been made in a timely fashion and any such plan or arrangement which is a funded plan or arrangement is fully funded on an ongoing and termination basis, except for any default, violation, tax, penalty or fee which, whether individually or in the aggregate, has not resulted in and would not reasonably be expected to result in a Material Adverse Effect;

(jj) there has not been and there is not currently any pending labour disruption, grievance, arbitration proceeding or other conflict by any current or former employee, consultant or agent of the Corporation or any of the Subsidiaries which could reasonably be expected to have a Material Adverse Effect and each of the Corporation and the Subsidiaries is in compliance with all provisions of all laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours, except for noncompliance with any such provisions that would not have a Material Adverse Effect;

(kk) (A) the Corporation, its assets and properties and the operation of the Business, have been and are, to the knowledge of the Corporation, in compliance in all material respects with all Environmental Laws; (B) the Corporation has complied in all material respects with all reporting and monitoring requirements under all Environmental Laws; and (C) the Corporation has never received any notice of any material non-compliance in respect of any Environmental Laws and (D) there are no material Environmental Permits necessary to conduct the Business;

(ll) without limiting the generality of the subparagraph immediately above, neither the Corporation nor any Subsidiary is aware of, nor has received any notice of, any material claim, judicial or administrative proceeding, pending, threatened against or contemplated, or which may affect, the Corporation, any Subsidiary or any of the respective properties, assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Corporation is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and the Corporation is not aware of any investigation, evaluation, audit or review by any Governmental Body of the Corporation, any Subsidiary or any of the respective properties, assets or operations thereof to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Body, in each case which could reasonably be expected to have a Material Adverse Effect;

(mm) there are no orders, rulings or directives issued, pending or, to the knowledge of the Corporation, threatened against the Corporation or any Subsidiary under or pursuant to any Environmental Laws requiring any work, repairs, construction or capital expenditures with respect to the property or assets of the Corporation or any Subsidiary, except for those arising from normal exploration activities;

(nn) neither the Corporation nor any Subsidiary is subject to any contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment (except for those derived from normal production and exploration activities) or non-compliance with Environmental Laws;

(oo) neither the Corporation nor any Subsidiary has ever been in violation of, in connection with the ownership, use, maintenance or operation of the property and assets thereof, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, permits having the force of law, domestic or foreign, relating to environmental, health or safety matters which could reasonably be expected to have a Material Adverse Effect;

(pp) the Corporation has no Owned Real Property and neither the Corporation nor any of the Subsidiaries has used the Leased Premises, or any facility which it previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Materials other than in compliance with Environmental Laws;

(qq) at the Closing Time each of this Agreement, the Warrant Indenture, the Broker Warrant Certificates and the Corporate Finance Fee Warrant Certificates (collectively, the "**Transaction Documents**") will have been duly authorized, executed and delivered by the Corporation, and upon such execution and delivery will constitute a legal, valid and binding obligation of the Corporation enforceable in accordance with its terms except that: (i) the enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally, (ii) rights of indemnity, contribution and waiver of contribution thereunder may be limited under applicable law; and (iii) equitable remedies, including, without limitation, specific performance and injunctive relief, may be granted only in the discretion of a court of competent jurisdiction;

(rr) (A) the Corporation has full corporate power and authority to issue the applicable Offered Securities, the Broker's Warrants and the Corporate Finance Fee Warrants on the Closing Date and thereafter; (B) the Offered Shares will be duly and validly authorized, allotted and issued as fully paid and non-assessable Common Shares by the Corporation on the Closing Date; (C) the Warrants, the Corporate Finance Fee Warrants and the Broker's Warrants, will be validly created and issued by the Corporation on the Closing Date; and (D) upon exercise of the: (i) Warrants (ii) the Corporate Fee Finance Warrants; and (iii) the Broker's Warrants, the Warrant Shares, the Corporate Finance Fee Shares and the Broker Shares, respectively, will be duly and validly authorized, allotted and issued as fully paid and non-assessable Common Shares;

(ss) the Corporation is a reporting issuer in good standing in each of the Provinces of British Columbia, Alberta and Ontario, and (i) has no reasonable grounds to believe that it will not continue to be a reporting issuer in good standing in each such jurisdiction for at least 12 months following the Closing; (ii) is in compliance, including with respect to its Public Record, with all applicable Securities Laws in all respects, except where any such non-compliance, whether individually or in the aggregate, would not constitute a Material Adverse Effect; (iii) it is not included on a list of defaulting reporting issuers maintained by the Securities Commissions of each such jurisdiction; (iv) the Public Record, as of each document's respective filing date, does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading as of the date made; and (v) has no current confidential material change reports;

(tt) no order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of securities by the Corporation has been issued that remains outstanding, and, to its knowledge, no proceedings for this purpose have been instituted, are pending, contemplated or threatened by any securities commission or self-regulatory organization; the Corporation is not in default of any material requirement of any applicable securities legislation, and the Corporation is entitled to avail themselves of the applicable prospectus exemptions available under such securities legislation in respect of the trades in its securities to Purchasers as contemplated in this Agreement;

(uu) to the knowledge of the Corporation, none of the Corporation, its officers or directors is aware of any circumstances presently existing under which liability is or could reasonably be expected to be incurred under Part XXIII – Civil Liability for Secondary Market Disclosure of the *Securities Act* (Ontario);

(vv) the currently outstanding Common Shares are listed and posted for trading on the TSX and all necessary notices and filings have been made with and all necessary consents, approvals and authorizations obtained by the Corporation from the TSX to ensure that (i) the Offered Shares (including any Additional Shares issuable upon exercise of the Over-Allotment Option); (ii) the Warrants (including any Additional Warrants issuable upon exercise of the Over-Allotment Option); (iii) the Warrant Shares (including any Additional Warrant Shares issuable upon exercise of the Additional Warrants, if any, issuable upon exercise of the Over-Allotment Option); (iii) the Broker Shares issuable upon exercise of the Broker's Warrants; and (iv) the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants, will be listed and posted for trading on the TSX upon their issuance, subject to fulfilling the conditions contained in a letter from the TSX dated June 11, 2020 in connection with the conditional acceptance of the Offering (a copy of which has been provided to the Agents or Agents' Counsel);

(ww) the Corporation has not withheld, and will not withhold from the Agents prior to any Closing Time, any material facts relating to the Corporation, the Subsidiaries or the Offering;

(xx) TSX Trust Company is the duly appointed registrar and transfer agent of the Corporation with respect to the Common Shares and as warrant agent in respect of the Warrants;

(yy) other than the Investor Presentation and the term sheet filed by the Corporation on SEDAR on June 2, 2020, the Corporation has not and will not provide to prospective purchasers any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Securities Laws. The Corporation has and will not engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Securities, including but not limited to, causing the sale of the Offered Securities to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Offered Securities whose attendees have been invited by general solicitation or advertising;

(zz) other than the Agents, there is no person, firm or company acting or purporting to act at the request of the Corporation who is entitled to any finder's fee in connection with the transactions contemplated herein and in the event that any person, firm or company acting for the Corporation at the request of the Corporation establishes a claim for any fee from the Agents, except as identified in writing to the Corporation and the Agents prior to Closing, the Corporation covenants to indemnify and hold harmless the Agents with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

(aaa) the Corporation has provided the Agents with all information requested by the Agents in connection with the sale of the Offered Securities and such information is true and correct in all material respects and no material fact or material facts have been omitted therefrom which would make such information misleading. There is no material fact known to the Corporation that has not been disclosed herein, or to the Agents, or in any other agreement, document or written instrument furnished by the Corporation to the Agents in connection with the transactions contemplated hereby and thereby and which has resulted in or would reasonably be expected to result in a Material Adverse Effect;

(bbb) to the best of the Corporation's knowledge, the Due Diligence Session Responses provided at the Pre-Closing Due Diligence Sessions were true and correct in all material respects as at the time such responses were given, remain so at the date hereof and will remain so as at the applicable Closing Time. "**Due Diligence Session Responses**" means the responses of the Corporation and its advisors at the Pre-Closing Due Diligence Sessions excluding the portion of such responses which are forward-looking or relate to projections or forecasts. "**Pre-Closing Due Diligence Sessions**" means the oral due diligence sessions held prior to filing of the Final Prospectus, for which the Agents and Agents' Counsel distributed a list of written questions to be answered at such due diligence session (which list may be augmented by additional questions posed at a due diligence session) by the Corporation's senior management and advisors as requested by the Agents;

(ccc) all information which has been prepared by the Corporation relating to the Corporation and its business, properties and liabilities and made available to the Agents, including the Investor Presentation and all financial, marketing, sales and operational information provided to the Agents was, as of the date of such information, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading and did not contain a misrepresentation; and

(ddd) as of the date of the delivery of an Offering Document by the Corporation:

(i) the information and statements (except information and statements relating to the Agents and provided in writing by the Agents for inclusion therein) contained or incorporated by reference in any of the Offering Documents, as the case may be, are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Securities;

(ii) no material fact or information has been omitted therefrom (except for facts or information relating to the Agents) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances in which they were made;

(iii) except with respect to any information relating solely to the Agents and provided by the Agents for inclusion therein, the Offering Documents comply in all material respects with the requirements of Applicable Securities Laws; and

(iv) except as set forth or contemplated in the Offering Documents, there has been no adverse material change (actual, anticipated, contemplated, proposed or threatened) in the business, affairs, prospects, operations, properties, assets, liabilities (contingent or otherwise) or capital of the Corporation since the end of the period covered by the Financial Statements; and

(eee) the delivery of each Offering Document by the Corporation shall constitute the Corporation's consent to the Agents' use of the Offering Documents in connection with the distribution of the Offered Securities in the Qualifying Provinces in compliance with this Agreement unless otherwise advised in writing.

Notwithstanding any contrary provision in this Agreement including any schedule hereto, no investigation or opportunity afforded to the Agents or their advisors to conduct due diligence shall in any way affect, or limit liability for, any representation, warranty or covenant of the Corporation contained in this Agreement and the Agents will be deemed to have relied solely upon the representations, warranties and covenants contained in this Agreement, notwithstanding any contrary information that may have been provided or made available to the Agents or any of the Agents' representatives or that the Agents discovered in the course of any such investigation either prior to or subsequent to the date of this Agreement.

## 7 Covenants of the Corporation

The Corporation hereby covenants to the Agents that the Corporation:

(a) will advise the Agents, promptly after receiving notice or obtaining knowledge thereof, of:

(i) the issuance by any Securities Regulators in the Qualifying Provinces of any order suspending or preventing the use of any of the Offering Documents;

(ii) the suspension of the qualification of the Offered Securities, the Broker's Warrants and the Corporate Finance Fee Warrants in any of the Qualifying Provinces or the institution, threatening or contemplation of any proceeding for any such purposes; or

(iii) any requests made by any Securities Regulators in the Qualifying Provinces for amending or supplementing the Preliminary Prospectus, the Amended and Restated Prospectus or the Final Prospectus or for additional information, and will use its best efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;

(b) will use commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws in the Qualifying Provinces for a period of 36 months following the Final Closing Date, provided that the foregoing requirement shall not prevent the Corporation from completing a sale of all or substantially all of its assets or any transaction which would result in the Corporation ceasing to be a "reporting issuer" pursuant to a take-over bid or other transaction that requires a vote by shareholders of the Corporation;

(c) will use its commercially reasonable efforts to maintain the listing of (i) the Offered Shares (including any Additional Shares issuable upon exercise of the Over-Allotment Option); (ii) the Warrants (including any Additional Warrants issuable upon exercise of the Over-Allotment Option): (iii) the Warrant Shares (including any Additional Warrant Shares issuable upon exercise of the Additional Warrants, upon exercise of the Over-Allotment Option); (iii) the Broker Shares issuable upon exercise of the Broker's Warrants and the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants, on the TSX or another recognized stock exchange or quotation system for a period of at least 36 months following the Final Closing Date, provided that the foregoing requirement shall not prevent the Corporation from completing a sale of all or substantially all of its assets or any transaction which would result in the Corporation ceasing to be a "reporting issuer" pursuant to a take-over bid or other transaction that requires a vote by shareholders of the Corporation;

(d) will duly execute and deliver the Warrant Indenture, the Broker Warrant Certificates and the Corporate Finance Fee Warrant Certificates, if any, at each Closing Time and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;

(e) will ensure that, at each Closing Time, the Offered Shares shall be duly issued as fully paid and non-assessable Common Shares on payment of the purchase price therefor;

(f) will ensure that, at each Closing Time, the Warrants, the Broker's Warrants and Corporate Finance Fee Warrants shall be duly and validly created and issued and shall have attributes corresponding in all material respects to the description set forth in this Agreement, the Broker's Warrants Certificates, the Corporate Finance Fee Warrant Certificates and the Warrant Indenture, as applicable;

(g) will ensure that at all times following the grant of the Corporate Finance Fee Warrants and prior to the expiry of the Corporate Finance Fee Warrants, a sufficient number of Corporate Finance Fee Shares are allotted and reserved for issuance upon the due exercise of the Corporate Finance Fee Warrants in accordance with their terms;

(h) will ensure that at all times following the grant of the Broker's Warrants and prior to the expiry of the Broker's Warrants, a sufficient number of Broker Shares are allotted and reserved for issuance upon the due exercise of the Broker's Warrants in accordance with their terms;

(i) will ensure that at all times following the grant of the Warrants and prior to the expiry of the Warrants, a sufficient number of Common Shares are allotted and reserved for issuance upon the due exercise of the Warrants in accordance with their terms;

(j) will ensure that, upon due exercise of the Broker's Warrants in accordance with their terms, the Broker Shares shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;

(k) will ensure that, upon due exercise of the Corporate Finance Fee Warrants in accordance with their terms, the Corporate Finance Fee Shares shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;

(l) will ensure that, upon due exercise of the Warrants in accordance with their terms, the Warrant Shares shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;

(m) will ensure ensure that the Offered Shares and the Warrants partially comprising the Units, the Warrant Shares, the Broker Shares and the Corporate Finance Fee Shares are listed and posted for trading on the TSX upon their respective dates of issuance;

(i) use its best efforts to maintain the Warrant Agent or a substituted warrant agent in respect of the Warrants issued to the Purchasers until the exercise or expiry of all of such Warrants;

(n) will use the net proceeds of the Offering in the manner specified in the Final Prospectus, subject to the qualifications contained therein;

(o) use its commercially reasonable efforts to cause its directors and officers to enter into the Form of Lock-Up Agreement attached hereto as Schedule "A";

(p) from the date hereof until 90 days following the Final Closing Date, not to, without the prior written consent of Echelon, issue, agree to issue or announce any intention to issue Common Shares or any securities convertible into or exchangeable for Common Shares, other than: (i) as contemplated herein; (ii) the exchange, transfer, conversion or exercise of rights existing outstanding securities; (iii) the issuance of options, or if available, share-based awards under the Corporation's equity compensation plan; (iv) commitments to issue securities existing on the date hereof; (v) an arm's length acquisition (including to acquire assets or intellectual property rights) or (vi) in connection with the Non-Brokered Offering; and

(q) until the date that is one year from the Final Closing Date (the "**Right of First Refusal Period**"), if the Corporation undertakes a brokered, whether on an agency or underwritten basis, offering of debt (excluding mortgage debt or any other form of property level financing), equity or equity-based securities (a "**Financing**"), the Agents will have a right of first refusal ("**Right of First Refusal**") to serve as exclusive agent or underwriter for such Financing for a minimum of 50% of such Financing (for greater certainty, split 25% to Echelon and 25% to Clarus Securities Inc.). In the event that a Right of First Refusal is exercised under this section, the Corporation and the Agents may enter into a separate agreement or other appropriate documentation for such engagement containing such compensation and other terms and conditions as are customary for similar engagements, including, without limitation, appropriate indemnification provisions, as deemed appropriate under applicable circumstances. The Right of First Refusal must be exercised by the Agents within five Business Days in the case of a best-efforts brokered offering and 24 hours in the case of a "bought deal" underwritten offering, following written notification from the Corporation that the Corporation requires or proposes to obtain additional financing (the "**Acceptance Period**"). In the event that either of the Agents does not elect to accept an agency or underwriting relationship for that Financing and so declines in writing to the Corporation or does not accept such mandate by delivery of written notice to the Corporation before the expiration fo the Acceptance Period, if the other Agent elects to accept an agency or underwriting relationship for that Financing, it shall have the right to participate to the additional extent of that non-electing Agent's allocation of the relevant financing or services. In the event that neither of the Agents elects to accept an agency or underwriting relationship for that Financing and so declines in writing to the Corporation, or in the event that neither of the Agents accepts such mandate by delivery of written notice to the Corporation before the expiration of the Acceptance Period, then the Agents shall relinquish their rights with respect to that particular engagement only and shall continue to have a Right of First Refusal in relation to any other brokered public or brokered private offering of debt, equity, or equity-based securities of the Corporation during the Right of First Refusal Period. If, prior to, or any time after, providing the Agents with such written notice, the Corporation has received an offer from a third party to serve as lead manager or exclusive placement agent or underwriter in connection with a Financing, the terms upon which such third party has proposed to act in such capacity shall be disclosed to the Agents by the Corporation in writing, and the Agents shall be entitled to exercise its Right of First Refusal by notifying the Corporation, within the Acceptance Period of its intention to act as an agent or underwriter or advisor in connection with the proposal put forth by such third party. It is acknowledged and agreed by the Agents that if the Corporation issues any securities to which the foregoing would apply, but does not retain or utilize a registered dealer as agent therefor, the foregoing shall not apply to such issuance(s). The Corporation confirms that there are no other rights of first refusal and/or right of participation to provide debt or equity financing to the Corporation currently outstanding.

## 8 Representations and Warranties of the Agents

The Agents, severally and not jointly nor jointly and severally, hereby represent, warrant and covenant to the Corporation, and acknowledge that the Corporation is relying upon each of such representations, warranties and covenants in entering into the transactions contemplated hereby, as follows:

(a) such Agent is, and will remain, until the completion of the Offering, appropriately registered under Applicable Securities Laws so as to permit it to lawfully fulfil its obligations hereunder and at least one Agent is registered as a dealer (other than as an exempt market dealer) in each of the Qualifying Jurisdictions;

(b) such Agent has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated under this Agreement on the terms and conditions set forth herein;

(c) this Agreement has been duly authorized, executed and delivered by such Agent and constitutes a legal, valid and binding obligation of such Agent enforceable against such Agent in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, except as limited by the application of equitable principles when equitable remedies are sought and except as rights to indemnity, contribution and waiver of contribution may be limited by applicable Laws;

(d) such Agent will offer the Offered Securities for sale to the public in the Qualifying Jurisdictions, directly and through sub-agents, if any, in compliance with Applicable Securities Laws and upon the terms and conditions set forth in this Agreement;

(e) such Agent will conduct activities in connection with the Offering in compliance with all Applicable Securities Laws and upon the terms and conditions set forth in the Final Prospectus and this Agreement and cause a similar covenant to be obtained from sub-agents, if any, in connection with the distribution of the Offered Securities;

(f) such Agent will refrain from advertising the Offering by (A) printed public media of general and regular paid circulation, (B) radio, (C) television or (D) telecommunications, including electronic display and not make use of any green sheet or other internal marketing document without the prior written consent of the Corporation, such consent to be promptly considered and not to be unreasonably withheld; and

(g) such Agent will comply with, and ensure that its directors, officers, employees and affiliates comply with all applicable market stabilization rules and requirements of the Securities Commissions and Applicable Securities Laws.

## 9 Conditions of Closing

The following are conditions precedent to the obligations of the Agents to complete the Closing and of the Purchasers to purchase the Offered Securities at the applicable Closing Time, which conditions the Corporation covenants and agrees to use its best efforts to fulfil within the time set out herein therefor, and which conditions may be waived in writing in whole or in part by the Agents:

(a) the Corporation shall have caused its counsel, WeirFoulds LLP, to deliver to the Agents legal opinions dated and delivered on each Closing Date addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents acting reasonably, with respect to the following matters:

(i) the Corporation being a "reporting issuer", or its equivalent, in each of the Qualifying Jurisdictions and not in default under Applicable Securities Laws in the Qualifying Jurisdictions;

(ii) the Corporation being a corporation existing under the laws of the *Business Corporations Act* (Ontario)

(iii) the Corporation having the corporate power and capacity to own and lease its property and assets and to conduct its Business as described in the Final Prospectus;

(iv) the authorized and issued share capital of the Corporation;

(v) the Corporation having all necessary corporate power and capacity to execute and deliver the Transaction Documents and to perform its obligations hereunder and thereunder, including to create, issue and sell the Offered Securities, the Broker's Warrants, the Corporate Finance Fee Warrants, to grant the Over-Allotment Option, to issue the Warrant Shares issuable upon the exercise of the Warrants, to issue the Broker Shares issuable upon the exercise of the Broker's Warrants and to issue the Corporate Finance Fee Shares issuable upon the exercise of the Corporate Finance Fee Warrants;

(vi) the Corporation has the necessary corporate power and authority to sign and deliver the Preliminary Prospectus, the Amended and Restated Prospectus and the Final Prospectus and all necessary corporate action having been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus, the Amended and Restated Prospectus, the Final Prospectus and any Supplementary Material and the filing thereof with the Securities Commissions;

(vii) the Offered Shares having been duly and validly authorized for issuance and that, at the Closing Time and upon payment of the purchase price therefor and the issue thereof, the Offered Shares will be duly and validly issued as fully paid and non-assessable Common Shares;

(viii) upon the due exercise of the Over-Allotment Option and upon payment of the purchase price therefor and the issue thereof, the Additional Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;

(ix) the form and terms of the Broker Warrant Certificates and the Corporate Finance Fee Warrant Certificates having been approved by the board of directors of the Corporation and complying in all material respects with the requirements of the *Business Corporations Act* (Ontario);

(x) the Warrants, the Broker's Warrants and the Corporate Finance Fee Warrants have been validly authorized, issued and created;

(xi) the Warrant Shares issuable upon exercise of the Warrants having been reserved for issuance by the Corporation and, upon the payment of the exercise price therefor and the issue thereof in accordance with the terms of the Warrant Indenture, being validly issued as fully paid and non-assessable Common Shares;

(xii) the Broker Shares issuable upon exercise of the Broker's Warrants having been reserved for issuance by the Corporation and, upon the payment of the exercise price therefor and the issue thereof in accordance with the terms of the Broker Warrant Certificates, being validly issued as fully paid and non-assessable Common Shares;

(xiii) the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants having been reserved for issuance by the Corporation and, upon the payment of the exercise price therefor and the issue thereof in accordance with the terms of the Corporate Finance Fee Warrant Certificates, being validly issued as fully paid and non-assessable Common Shares;

(xiv) all necessary corporate action having been taken by the Corporation to authorize the execution and delivery of the Transaction Documents and the performance of its obligations hereunder and thereunder, including the issuance and sale of the Offered Securities, the Broker's Warrants, the Corporate Finance Fee Warrants, the granting of the Over-Allotment Option to the Agents, the issuance of the Broker Shares upon exercise of the Broker's Warrants, the issuance of the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants and the Transaction Documents having been executed and delivered by the Corporation and constituting legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, subject to standard qualifications, including that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions thereof relating to indemnity, contribution and waiver of contribution may be unenforceable;

(xv) the execution and delivery of the Transaction Documents, the fulfilment of the terms hereof and thereof by the Corporation, including the granting of the Over-Allotment Option to the Agents, the issuance and sale of the Offered Securities, the Broker's Warrants and the Corporate Financed Fee Warrants, the issuance of the Broker Shares upon exercise of the Broker's Warrants and the issuance of the Corporate Finance Fee Shares upon exercise of the Corporate Finance Fee Warrants, do not and will not (as the case may be) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, whether after notice or lapse of time or both: (i) the provisions of the *Business Corporations Act* (Ontario) or the regulations thereunder, (ii) the constating documents and by-laws of the Corporation; or (iii) Applicable Securities Laws.

(xvi) all necessary documents having been filed, all requisite proceedings having been taken and all approvals, permits, authorizations and consents of the appropriate regulatory authority in each of the Qualifying Jurisdictions having been obtained by the Corporation to qualify the distribution of the Offered Securities through persons who are registered under Applicable Securities Laws and who have complied with the relevant provisions of Applicable Securities Laws;

(xvii) subject to the qualifications set out in the Preliminary Prospectus, the Amended and Restated Prospectus and the Final Prospectus under the headings "*Eligibility for Investment*" and "*Certain Canadian Federal Income Tax Considerations*", the Units and the Offered Shares and the Warrants underlying the Offered Units and the Warrant Shares underlying the Warrants are "qualified investments" for Exempt Plans, and the statements in the Preliminary Prospectus, the Amended and Restated Prospectus and the Final Prospectus under the headings "*Eligibility for Investment*" and "*Certain Canadian Federal Income Tax Considerations*", constitute a fair summary of the matters discussed therein;

(xviii) the disclosure set out in the Preliminary Prospectus, the Amended and Restated Prospectus and the Final Prospectus under the heading "*Regulatory Environment*", to the extent it purports to describe or summarize applicable provisions of the Healthcare Laws, are accurate in all material respects, subject to any qualifications set forth therein;

(xix) no filing, proceeding, approval, consent or authorization is required to be made, taken or obtained by the Corporation under Applicable Securities Laws to permit the issuance by the Corporation of the Units, the Offered Securities, other than such as have been filed or obtained, the Broker's Warrants, the Broker Shares, the Corporate Finance Fee Warrants or the Corporation Finance Fee Shares, if any, provided that no commission or other remuneration is paid or given in respect of the distribution except for administrative or professional services or for services performed by a registered dealer, except as may be required under Applicable Securities Laws and the rules of the TSX;

(xx) the attributes of the Offered Securities are consistent, in all material respects, with the descriptions in the Preliminary Prospectus, the Amended and Restated Prospectus and the Final Prospectus;

(xxi) all necessary documents have been filed, all proceedings have been taken and all legal requirements have been fulfilled as required under the Applicable Securities Laws in order to qualify the Offered Securities and the Broker's Warrants and the Corporate Finance Fee Warrants for distribution in the Province of Ontario by or through investment dealers or brokers who are registered under the Applicable Securities Laws and who have complied with the relevant provisions of the Applicable Securities Laws;

(xxii) the issue and delivery by the Corporation in the Qualifying Provinces of the Warrant Shares to the holders of Warrants upon their exercise pursuant to the terms of the Warrant Indenture being exempt from, or not subject to, the prospectus requirements of Applicable Securities Laws and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Securities Laws (other than such as will have already been filed or obtained) to permit such issue;

(xxiii) the first trade in, or resale of, the Warrant Shares issuable upon exercise of the Warrants being exempt from, or not subject to, the prospectus requirements of Applicable Securities Laws and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Securities Laws (other than such as will have already been filed or obtained) to permit such trade, provided that the trade will not be a "control distribution" (as defined in National Instrument 45-102 – *Resale of Securities*), the Corporation is a reporting issuer at the time of the trade, and such trade is not a transaction or series of transactions involving purchases and sales or repurchases and resales in the course of or incidental to a "distribution" (as defined under Applicable Securities Laws);

(xxiv) the issue and delivery by the Corporation in the Qualifying Provinces of the Broker Shares to the holders of Broker's Warrants upon their exercise pursuant to the terms of the Broker Warrant Certificates being exempt from, or not subject to, the prospectus requirements of Applicable Securities Laws and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Securities Laws (other than such as will have already been filed or obtained) to permit such issue;

(xxv) the first trade in, or resale of, the Broker Shares issuable upon exercise of the Broker's Warrants being exempt from, or not subject to, the prospectus requirements of Applicable Securities Laws and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Securities Laws (other than such as will have already been filed or obtained) to permit such trade, provided that the trade will not be a "control distribution" (as defined in National Instrument 45-102 – *Resale of Securities*), the Corporation is a reporting issuer at the time of the trade, and such trade is not a transaction or series of transactions involving purchases and sales or repurchases and resales in the course of or incidental to a "distribution" (as defined under Applicable Securities Laws);

(xxvi) the issue and delivery by the Corporation in the Qualifying Provinces of the Corporate Finance Fee Shares to the holders of Corporate Finance Fee Warrants upon their exercise pursuant to the Corporate Finance Fee Warrant Certificates being exempt from, or not subject to, the prospectus requirements of Applicable

Securities Laws and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Securities Laws (other than such as will have already been filed or obtained) to permit such issue;

(xxvii) the first trade in, or resale of, the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants being exempt from, or not subject to, the prospectus requirements of Applicable Securities Laws and no prospectus or other documents being required to be filed, proceedings taken or approvals, permits, consents or authorizations required to be obtained under Applicable Securities Laws (other than such as will have already been filed or obtained) to permit such trade, provided that the trade will not be a "control distribution" (as defined in National Instrument 45-102 – *Resale of Securities*), the Corporation is a reporting issuer at the time of the trade, and such trade is not a transaction or series of transactions involving purchases and sales or repurchases and resales in the course of or incidental to a "distribution" (as defined under Applicable Securities Laws);

(xxviii) (i) the Offered Shares (including any Additional Shares issuable upon exercise of the Over-Allotment Option); (ii) the Warrants (including any Additional Warrants issuable upon exercise of the Over-Allotment Option); (iii) the Warrant Shares (including any Additional Warrant Shares issuable upon exercise of the Additional Warrants, upon exercise of the Over-Allotment Option); (iii) the Broker Shares issuable upon exercise of the Broker's Warrants; and (iv) the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants, having been conditionally approved for listing on the TSX;

(xxix) TSX Trust Company having been duly appointed as the warrant agent pursuant to the Warrant Indenture; and

(xxx) TSX Trust Company having been duly appointed as the transfer agent and registrar for the Common Shares.

In connection with such opinions, counsel to the Corporation may rely on the opinions of local counsel in the Qualifying Provinces acceptable to counsel to the Agents, acting reasonably, as to qualification for distribution of the Offered Securities, the Broker's Warrants and the Corporate Finance Fee Warrants or opinions may be given directly by local counsel of the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province in which they are qualified to practise and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others;

(b) the Agents shall have received at the initial Closing Time favourable legal opinions for the Subsidiaries addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents, acting reasonably, dated as of the Closing Date, from counsel to the Corporation in the jurisdictions of existence of the Subsidiaries, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Subsidiaries, as appropriate, with respect to the following matters: (a) each Subsidiary is a corporation existing under the laws of the jurisdiction in which it exists, and has all requisite corporate power to carry on its business as now conducted and to own, lease and operate its property and assets; and (b) as to the issued and outstanding shares of each Subsidiary registered, directly or indirectly, in the name of the Corporation;

(c) the Agents shall have received a certificate, dated as of the applicable Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation, or such other officer(s) of the Corporation as the Agents may agree, certifying for and on behalf of the Corporation with respect to: (i) the articles and by-laws of the Corporation; (ii) the resolutions of the Corporation's board of directors relevant to the Offering and the authorization of the other agreements and transactions contemplated herein; and (iii) the incumbency and signatures of signing officers of the Corporation;

(d) the Corporation shall cause each of the Current Auditors and the Former Auditors, as applicable, to deliver to the Agents a comfort letter, dated as of the applicable Closing Date, in form and substance satisfactory to the Agents, acting reasonably, bringing forward to a date not more than two Business Days prior to the applicable Closing Date the information contained in the comfort letters referred to in subsection 4(a)(iii) hereof;

(e) the Agents shall have received a certificate, dated as of the applicable Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, or such other officers of the Corporation as the Agents may agree, certifying for and on behalf of the Corporation, after having made due enquiry and after having carefully examined the Final Prospectus and any Supplementary Material, that:

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

   (ii) no order, ruling or determination having the effect of ceasing or suspending the trading in the Common Shares or prohibiting the sale of the Offered Securities or any other securities of the Corporation has been issued by any regulatory authority and continuing in effect and no proceedings for such purpose having been instituted or being pending or, to the knowledge of such officers, contemplated or threatened under any relevant securities laws (including Applicable Securities Laws) or by any regulatory authority;

   (iii) subsequent to the respective dates as at which information is given in the Final Prospectus, there has not occurred a Material Adverse Effect or any change or development involving a prospective Material Adverse Effect, other than as disclosed in the Final Prospectus or any Supplementary Material, as the case may be;

   (iv) no material change relating to the Corporation and the Subsidiaries, taken as a whole, has occurred since the date hereof with respect to which the requisite material change report has not been filed and no such disclosure having been made on a confidential basis that remains confidential; and

   (v) the representations and warranties of the Corporation contained in this Agreement and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement, are true and correct as at the Closing Time in all material respects, with the same force and effect as if made on and as at the Closing Time, after giving effect to the transactions contemplated by this Agreement;

(f) the Agents shall have received copies of correspondence indicating that the Corporation has obtained all necessary approvals for: (i) the Offered Shares (including any Additional Shares issuable upon exercise of the Over-Allotment Option); (ii) the Warrants (including any Additional Warrants issuable upon exercise of the Over-Allotment Option); (iii) the Warrant Shares (including any Additional Warrant Shares issuable upon exercise of the Additional Warrants, upon exercise of the Over-Allotment Option); (iii) the Broker Shares issuable upon exercise of the Broker's Warrants; (iv) the Corporate Finance Fee Shares issuable upon exercise of the Corporate Finance Fee Warrants, to be conditionally listed on the TSX, subject only to the Standard Listing Conditions;

(g) the Agents shall have completed and be satisfied, in their sole discretion, with the results of their due diligence investigations regarding the Corporation, its business, operations and financial condition and market conditions at the applicable Closing Time;

(h) the Agents shall have received a certificate from TSX Trust Company as to the number of Common Shares issued and outstanding as at the date immediately prior to the applicable Closing Date;

(i) the Agents shall have received a certificate of status (or the equivalent) in respect of the Corporation and each of the Subsidiaries issued by the appropriate regulatory authority in each jurisdiction in which the Corporation and the Subsidiaries are incorporated, amalgamated or continued, as the case may be, which certificate shall be dated no more than two Business Days prior to the applicable Closing Date;

(j) the Agents shall have received duly executed copies of the Broker Warrant Certificates and, provided the Minimum Offering amount is attained, the Corporate Finance Fee Warrant Certificates in form and substance satisfactory to the Agents, acting reasonably; and

(k) each of the directors and officers of the Corporation shall have delivered to the Agents a signed copy of the Form of Lock-Up Agreement attached hereto as Schedule "A".

## 10 Closing

The Closing shall be completed in one or more Closings via electronic exchange of documents unless otherwise agreed to by the Corporation and the Agents.

At or prior to the applicable Closing Time, the Corporation shall duly and validly deliver to the Agents one or more certificate(s) in definitive form (including such other form of evidence of ownership) or in the form of an electronic deposit pursuant to the non-certificated issue system maintained by CDS Clearing and Depository Services Inc. representing the Offered Securities registered in such name or names as the Agents may notify the Corporation in writing, against payment by the Agents to the Corporation, at the direction of the Corporation, in the lawful money of Canada by wire transfer or, if permitted by applicable law, by certified cheque or bank draft, payable at par in Toronto, Ontario, of an amount equal to the proceeds of the Offering net of the Agents' Fees and estimated Agents' Expenses in accordance with Section 10 hereof.

## 11 Expenses

Whether or not Closing occurs, the Corporation shall pay all reasonable costs, fees and expenses of or incidental to the performance of the obligations under this Agreement including, without limitation the cost related to issuing the Offered Securities in the Qualifying Provinces and the cost of registration, countersignature and delivery of the Offered Securities. The Corporation shall also pay the legal fees and disbursements of Ontario counsel employed by the Agents and the reasonable costs and expenses of the Agents (collectively, the "**Agents' Expenses**"), plus HST where applicable, subject to a cap on the Agents' Counsel fees as set out in the Engagement Letter. Such amounts payable to the Agents shall be paid by the Corporation at each Closing Time to the Agents in respect of reasonable expenses and fees incurred to such date.

## 12 Indemnities

(a) The Corporation agrees to indemnify and hold harmless the Agents and their respective affiliates and directors, officers, partners, agents, employees, successors and assigns of the Agents (hereinafter referred to as the "**Personnel**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of its counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agents and/or the Personnel by any third parties other than the Corporation, to which the Agents and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Corporation by the Agents and/or their Personnel hereunder together with any expenses, losses, claims, damages or liabilities that are incurred in enforcing this indemnity.

(b) Notwithstanding anything to the contrary contained herein, the indemnity contemplated in this Section 12 shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(i) the Agents or their Personnel have been negligent or have committed any fraudulent or illegal act or omission or acted in wilful misconduct in the course of the performance of professional services rendered to the Corporation by the Agents and/or their Personnel or otherwise in connection with the matters referred to in this Agreement; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were caused by the negligence, illegality, fraud or wilful misconduct referred to in Section 12(b)(i).

(c) If for any reason (other than the occurrence of any of the events itemized in Sections 12(b)(i) and (ii) above), the indemnification contemplated in this Section 12 is unavailable to the Agents or insufficient to hold them harmless, then the Corporation shall contribute to the amount paid or payable by the Agents as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Agents on the other hand but also the relative fault of the Corporation and the Agents, as well as any relevant equitable considerations; provided that the Corporation shall, in any event, contribute to the amount paid or payable by the Agents as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the Agents' Fee received by the Agents hereunder pursuant to this Agreement.

(d) The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or the Agents by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and/or the Agents and any Personnel of the Agents shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Agents, each of the Agents shall have the right to employ one firm of its own counsel in connection therewith, and the reasonable and documented fees and expenses of such counsel as well as the reasonable and documented costs (including an amount to reimburse the Agents for time spent by their Personnel in connection therewith) and out-of-pocket expenses incurred by their Personnel in connection therewith shall, subject to the right of indemnity, be paid by the Corporation as they occur.

(e) Promptly after receipt of notice of the commencement of any legal proceeding against the Agents or any of their Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Agents will promptly notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission so to notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Agents except only to the extent that any such delay in giving or failure to give notice as herein required prejudices the defence of such action, suit, proceeding, claim or investigation or results in any increase in the liability which the Corporation would otherwise have under this indemnity had the Agents not so delayed in giving or failed to give the notice required hereunder.

(f) The Corporation shall be entitled, at its own expense, to participate in and, to the extent it or its insurers may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Corporation notifying the Agents in writing of its election to assume the defence and retaining counsel, the Corporation shall not be liable to the Agents for any legal expenses subsequently incurred by them in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Agents, will keep the Agents advised of the progress thereof and will discuss with the Agents all significant actions proposed.

(g) Notwithstanding Section 12(f), any Agent shall have the right, at the Corporation's expense, to employ counsel of such Agent's choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Corporation; or (ii) the Corporation has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation or the Agents has advised the Agents that representation of both parties by the same counsel would be inappropriate because there may be legal defences available to the Agents which are different from or in addition to those available to the Corporation (in which event and to that extent, the Corporation shall not have the right to assume or direct the defence on the Agents' behalf) or that there is a conflict of interest between the Corporation and the Agents or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Corporation shall not have the right to assume or direct the defence on the Agents' behalf). Notwithstanding the prior sentence, the Corporation shall only be liable for the fees and expenses of one separate law firm for the Agents and their Personnel in connection with any one action, suit, proceeding, claim or investigation or substantially similar related actions, suits, proceedings, claims or investigations.

(h) No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Agents. No admission of liability shall be made and the Corporation shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.

(i) The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agents and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation, the Agents and any of the Personnel of the Agents. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of this Agreement.

## 13 Termination Rights

In addition to any other remedies which may be available to the Agents, each of the Agents shall be entitled to terminate and cancel, without any liability on its part, all of their obligations under this Agreement and the obligations of any Person whom the Agents have solicited to purchase the Offered Securities, who has executed a Subscription Agreement, by notice in writing to that effect delivered to the Corporation prior to the applicable Closing Time if:

(a) the due diligence investigations performed by such Agent or its representatives reveal any material information or fact which, in the sole opinion of such Agent, is materially adverse to the Corporation or its Business, or materially adversely affects the price or value of the securities underlying the Units;

(b) there shall be any material change or a change in any material fact or a new material fact shall arise or there should be discovered any previously undisclosed material fact required to be disclosed or any amendment thereto, in each case, that has or would be expected to have, in the sole opinion of such Agent, acting reasonably, a significant adverse change or effect on the business or affairs of the Corporation or on the market price or the value of the securities of the Corporation;

(c) there should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism, pandemic or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of such Agent, acting reasonably, seriously adversely affects or involves or may seriously adversely affect or involve the financial markets in Canada and the United States generally or the business, operations or affairs of the Corporation and the Subsidiaries taken as a whole or the market price or value of the securities of the Corporation,

(d) (A) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of its Common Shares, is made or proceedings are announced or commenced for the making of any such order, by any Securities Commission or similar regulatory authority, stock exchange on which the securities of the Corporation are listed or by any other competent authority, and has not been rescinded, revoked or withdrawn; (B) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Corporation or any one of the officers or directors of the Corporation or any of its principal shareholders where wrongdoing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including the TSX or securities authority; or (C) there is any change of law, regulation, or policy or interpretation or administration thereof, if, in the sole opinion of such Agent, acting reasonably, the announcement or commencement thereof or change, as the case may be, materially adversely affects the trading or distribution of the securities of the Corporation;

(e) the Corporation is in material breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement is or becomes false in any material respect; or

(f) the state of the financial markets in Canada or elsewhere where it is planned to market the securities is such that in the reasonable opinion of such Agent the Units cannot be profitably marketed.

If any of the Agents terminate this Agreement pursuant to this section there shall be no further liability on the part of the Agents or of the Corporation to the Agents except in respect of any liability which may have arisen or may thereafter arise under Section 11, 12 or 13 hereof.

## 14 Breach of Agreement

All terms and conditions of this Agreement to be performed or satisfied by the Corporation shall be constituted as conditions and any material breach of, or failure by the Corporation to comply with, any term or condition of this Agreement shall entitle the Agents, acting reasonably, on behalf of the Purchasers of the Offered Securities, to terminate their respective obligations to purchase the Offered Securities by notice to that effect given to the Corporation prior to the applicable Closing Time. In the event of any such termination, there shall be no further liability on the part of the Corporation or the Agents except in respect of any liability which may have arisen or may thereafter arise under Section 11, 12 or 13 hereof. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their rights in respect of any other terms and conditions or any other or subsequent breach or non-compliance provided, however, that any waiver or extension must be in writing and signed by the Agents in order to be binding upon it.

## 15 Over-Allotment Option

(a) The Corporation hereby grants the Over-Allotment Option to the Agents. The Option shall be exercisable, in whole or in part at any one time, on or before the Over-Allotment Option Expiry Date by written notice given on behalf of the Agents by Echelon (the "**Option Notice**") to the Corporation in accordance with Section 18. If, and to the extent that, the Agents exercise the Over-Allotment Option, subject to the terms and conditions of this Agreement, the Agents severally and not jointly nor jointly and severally shall arrange for purchasers and the Corporation shall sell to such purchasers, at 8:00 a.m. (Toronto time) or any other time as may be agreed to by the Corporation and the Agents (the "**Option Closing Time**") on the date of the closing of the sale of any Additional Units, Additional Shares or Additional Warrants (the "**Option Closing**") determined by the Agents pursuant to subsection 15(c) (the "**Option Closing Date**"), the number of Additional Units, Additional Shares or Additional Warrants indicated in the Option Notice at the Offering Price.

(b) In the event the Corporation shall subdivide, consolidate or otherwise change its Common Shares during the period during which the Over-Allotment Option is exercisable, the number of Additional Shares or Additional Warrants into which the Over-Allotment Option is convertible shall be similarly subdivided, consolidated or changed such that the Agents would be entitled to receive the same number and type of securities that they would have otherwise been entitled to receive had they fully exercised such Over-Allotment Option prior to such subdivision, consolidation or change. The subscription price shall be adjusted accordingly and notice shall be given to the Agents of such adjustment. In the event that the Agents shall disagree with the foregoing adjustment, such adjustment shall be determined conclusively by the Auditors at the Corporation's expense.

(c) The Option Closing Date shall be determined by Agents, but shall not be earlier than two Business Days or later than five Business Days after the exercise of the Over-Allotment Option and, in any event, shall not be earlier than the Initial Closing Date and shall not be later than five Business Days following the Over-Allotment Option Expiry Date.

(d) Notwithstanding the foregoing, in all other respects, the applicable terms, conditions and provisions of this Agreement shall apply *mutatis mutandis* to the Option Closing and the Additional Units, Additional Shares and Additional Warrants.

## 16 **Agents' Obligations**

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

| | |
|---|---|
| Echelon Wealth Partners Inc. | 50% |
| Clarus Securities Inc. | 50% |

## 17 **Agents' Authority**

The Corporation shall be entitled to and shall act on any notice, request, direction, consent, waiver, extension and other communication given or agreement entered into by or on behalf of the Agents by Echelon who shall represent the Agents and have authority to bind the Agents hereunder. In all cases, Echelon shall use its best efforts to consult with the other Agent prior to taking any action contemplated herein.

## 18 **Notices**

Any notice under this Agreement shall be given in writing and either delivered or telecopied to the party to receive such notice at the address or telecopy numbers indicated below:

To the Corporation:

StageZero Life Sciences Ltd.
70 East Beaver Creek Road, Unit 30
Richmond Hill, Ontario L4B 3B2

Attention: James Howard-Tripp, Chairman and Chief Executive Officer
Email: jht@stagezerols.com

with a copy to:

WeirFoulds LLP
TD Bank Tower
66 Wellington Street West, Suite 4100
Toronto, Ontario M5K 1B7

Attention: Rob Eberschlag
Email: reberschlag@weirfoulds.com

to the Agents:

Echelon Wealth Partners Inc.
1 Adelaide Street East, Suite 2100
Toronto, Ontario M5C 2V9

Attention: Christine Young
Email: cyoung@echelonpartners.com

Attention: Michael Lorimer
Email: mlorimer@echelonpartners.com

Clarus Securities Inc.
Exchange Tower
130 King Street West, Suite 3640
Toronto, Ontario M5X 1A9

Attention: Robert Orviss
Email: rorviss@clarussecurities.com

with a copy (but not as notice) to:

Wildeboer Dellelce LLP
Wildeboer Dellelce Place
365 Bay Street, Suite 800
Toronto, Ontario M5H 2V1

Attention: Michael Rennie
Email: mrennie@wildlaw.ca

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

Any notice or other communication required or permitted under this Agreement shall be deemed to have been duly given and made if (a) in writing and served by personal delivery upon the party for whom it is intended; (b) if delivered by email upon the earlier of (i) with receipt confirmed or (ii) one Business Day following sending by email; or (c) if delivered by certified mail, registered mail or courier service, upon the earlier of (i) return receipt received to the party at the address set forth below, to the persons indicated or (ii) one Business Day following sending such certified mail, registered mail or courier service.

**19 <u>Survival</u>**

The obligations of the Corporation set out in Sections 11, 12 or 13 shall survive the purchase of the Offered Securities by the Purchasers and shall continue in full force and effect unaffected by any subsequent disposition of the Offered Securities, and the Agents shall not be limited or prejudiced by any investigation made by or on behalf of the Agents in the course of the distribution of the Offered Securities. All other representations, warranties, covenants, and agreements of the Corporation contained herein or contained in any document submitted pursuant to this Agreement or in connection with the purchase of the Offered Securities shall survive the purchase of the Offered Securities by the Purchasers and shall continue in full force and effect unaffected by any subsequent disposition of the Offered Securities, for a period of three years from the Final Closing Date, and the Agents shall not be limited or prejudiced by any investigation made by or on behalf of the Agents in the course of the distribution of the Offered Securities.

**20 <u>Entire Agreement</u>**

This Agreement constitutes the entire agreement between the parties pertaining to the Offering and the transactions contemplated thereby and supersedes any and all prior negotiations, agreements and understandings between the parties pertaining to the Offering and the transactions contemplated thereby, including the Engagement Letter. There are no representations, warranties, covenants, agreements, conditions, indemnities or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the Offering or the transactions contemplated thereby except as expressly contained in this Agreement. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement by any party or its directors, officers, employees, partners or agents, to any other party or its directors, officers, employees, partners or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement, and none of the parties has been induced to enter into this Agreement by reason of any such representation, warranty, opinion, advice or assertion of fact.

## 21 **Further Assurances.**

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

## 22 **Severability**

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

## 23 **Counterparts**

This Agreement may be executed in any number of counterparts and by fax or email all of which when taken together shall be deemed to be one and the same document and not withstanding its actual date of execution shall be deemed to be dated as of the date first above written.

## 24 **Obligations of the Agents**

In performing their respective obligations under this Agreement, the Agents shall be acting severally and not jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Agents.

## 25 **General**

The Agreement shall be governed by and interpreted in accordance with the laws of Ontario and the federal laws of Canada applicable therein and time shall be of the essence hereof. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Ontario with respect to any matter arising hereunder or related thereto.

## 26 **Successors and Assigns**

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation and the Agents and their respective successors and permitted assigns.

## 27 **Effective Date.**

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

***[Signature Page Follows.]***

If the above is in accordance with your understanding, please sign and return to the Agents a copy of this letter, whereupon this letter and your acceptance shall constitute a binding agreement between the Corporation and the Agents.

**ECHELON WEALTH PARTNERS INC.**

Per: (signed) *"Michael Lorimer"*

Name: Michael Lorimer

Title: Managing Director, Healthcare Investment Banking

**CLARUS SECURITIES INC.**

Per: (signed) *"Robert Orviss"*

Name: Robert Orviss

Title: Managing Director

The above offer is hereby accepted and agreed to as of the date first above written.

**STAGEZERO LIFE SCIENCES LTD.**

Per: (signed) *"James Howard-Tripp"*

Name: James Howard-Tripp

Title: Chairman and Chief Executive Officer

**SCHEDULE "A"**

**FORM OF LOCK-UP AGREEMENT**

_____________________, 2020

**TO:** **ECHELON WEALTH PARTNERS INC. ("Echelon")**
**AND TO:** **CLARUS SECURITIES INC.** (together with Echelon, the "**Agents**")

Dear Sirs:

The undersigned understands that StageZero Life Sciences Ltd. (the "**Corporation**") proposes to issue and sell units of the Corporation (each, a "**Unit**", and collectively, the "**Units**") by way of public offering (the "**Offering**"). We refer to the terms and conditions contained in the agency agreement dated June 22, 2020 (the "**Agency Agreement**") among the Agents and the Corporation, pursuant to which the Agents agree to act as agents to the Corporation to effect the Offering on a "commercially reasonable efforts" basis. This undertaking is given pursuant to Subsection 7(o) of the Agency Agreement. Capitalized terms used herein unless otherwise defined have the meanings specified in the Agency Agreement.

In recognition of the benefit that the Offering will confer upon the undersigned and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby undertakes in favour of the Agents that he, she or it shall not, directly or indirectly, for a period commencing upon and terminating 90 days following the Final Closing Date (the "**Lock-Up Period**"):

(i) offer, sell, contract to sell, lend, swap or enter into any other agreement to transfer the economic consequences of, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, or publicly announce any intention to do any of the foregoing, any Common Shares of the Corporation or securities convertible into or exercisable or exchangeable for Common Shares of the Corporation held by them, directly or indirectly (collectively, the "**Securities**"), without first obtaining the written consent of Echelon, which consent will not be withheld unreasonably withheld or delayed (any such action is referred to herein as a "**Transfer**"); or

(ii) act jointly or in concert with any third party with respect to any Transfer,

whether any such transaction above is to be settled by delivery of shares of the Corporation, other securities, cash or otherwise. The undersigned acknowledges that the restrictions imposed herein are in addition to any hold periods or other trade restrictions that may be imposed by Securities Laws or the TSX.

Notwithstanding the restrictions on Transfers described above, the undersigned may undertake any of the following:

(i) any Transfer of Securities pursuant to a bona fide third party take-over bid, merger, plan of arrangement or other similar transaction made to all holders of such Securities of the Corporation involving a change of control of the Corporation, provided that in the event that the take-over bid, merger, plan of arrangement or other such transaction is not completed, the Securities owned by the undersigned shall remain subject to the restrictions contained in this undertaking;

(ii) if the undersigned is an individual, upon the death, incapacitation, termination of employment or loss of office of such individual, the undersigned or the executor of the undersigned's estate may Transfer any or all of the undersigned's Securities to a recipient that agrees in writing to be bound by the terms of this agreement for the duration of the Lock-Up Period;

(iii) any Transfer of Securities to (a) a spouse, parent, child or grandchild of the undersigned (a "**Relation**"); (b) corporations, partnerships, limited liability companies or other entities to the extent that such entities are wholly-owned by the undersigned; (c) trusts existing solely for the benefit of the undersigned and/or a Relation, or (d) a charitable organization pursuant to a bona fide gift, solely to the extent that in clause (a), (b), (c) and (d) the recipient of the undersigned's Securities agrees in writing to be bound by the terms of this agreement for the duration of the Lock-Up Period;

(iv) the exercise of warrants or options, existing on the date of the Agency Agreement, the whole in accordance with the terms thereof; provided that any Common Shares obtained by such exercise shall remain subject to the terms of this agreement; or

(v) the sale of Common Shares solely to fund the exercise price and other expenses incurred with respect to the transaction described in clause (iv) above.

Upon completion of the Lock-Up Period and at any time thereafter, the undersigned is not restricted from making any Transfer in respect of the undersigned's Securities.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this agreement.

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

This agreement and the rights and obligations of the undersigned shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The undersigned has expressly requested that this document and any notices or other documents to be given under this document, and other documents related thereto be drawn up in the English language. *La partie aux présentes a expressément exigé que le présent document, ainsi que tout avis ou autre document à être donnée en vertu de ce document ou tout document y afférent, soient rédigés en langue anglaise*.

Executed this ____ day of ___________________ 2020.

Per: ________________________________

_____________________________________

Name: ______________________________