UNDERWRITING AGREEMENT

August 26, 2014

Immunovaccine Inc.
1344 Summer Street, Suite 412
Halifax, Nova Scotia B3H 0A3

Attention: Marc Mansour, Chief Executive Officer
Kimberly Stephens, Chief Financial Officer

Dear Sirs/Mesdames:

Mackie Research Capital Corporation (the "**Lead Underwriter**"), Maxim Group LLC ("**Maxim**") and Cormark Securities Inc. (collectively with the Lead Underwriter and Maxim, the "**Underwriters**", and each individually, an "**Underwriter**") hereby severally, and not jointly, nor jointly and severally, in their respective percentages set out in Section 18 below, offer to purchase from Immunovaccine Inc. (the "**Corporation**") and the Corporation hereby agrees to issue and sell to the Underwriters, 9,153,300 units of the Corporation (the "**Units**"), on a "bought deal" underwritten basis, at the purchase price of $0.95 per Unit (the "**Offering Price**"), for aggregate gross proceeds of $8,695,635. Each Unit is comprised of one Common Share (as defined below) (a "**Unit Share**") and one-half common share purchase warrant (each whole common share purchase warrant, a "**Purchase Warrant**"). Each Purchase Warrant will entitle the holder to acquire one Common Share at a price of $1.24 per Common Share for a period expiring 18 months following the Closing Date (as defined below).

The Corporation and the Underwriters agree that any offers or sales of Offered Units (as defined below) and/or underlying securities in the United States will be made by the Underwriters through U.S. Affiliates (as defined below) pursuant to Section 4(a)(2) of the U.S. Securities Act (as defined below), and in accordance with the U.S. Private Placement Memorandum (as defined below) and Schedule "B" hereto. Subject to applicable law, including applicable Securities Laws (as defined herein) and the terms of this Agreement, the Offered Units and/or underlying securities may also be distributed outside of Canada and the United States in each jurisdiction where they may be lawfully sold by the Underwriters without: (i) giving rise to any requirement under the laws of such jurisdiction to prepare and/or file a prospectus or document having similar effect; or (ii) creating any ongoing compliance or continuous disclosure obligations for the Corporation pursuant to the laws of such jurisdiction.

The Corporation hereby grants to the Underwriters an option (the "**Over-Allotment Option**") to purchase severally, and not jointly, nor jointly and severally, up to (i) an additional 1,372,995 Units (the "**Over-Allotment Units**") at the Offering Price, each Over-Allotment Unit being comprised of one Common Share (each, an "**Over-Allotment Unit Share**") and one-half common share purchase warrant (each whole common share purchase warrant, an "**Over-Allotment Warrant**"), (ii) 686,497 additional Over-Allotment Warrants, at a price of $0.062 per Over-Allotment Warrant, or (iii) any combination of Over-Allotment Units and Over-Allotment Warrants so long as the aggregate number of Common Shares and Purchase Warrants that may be issued upon exercise of the Over-Allotment Option does not exceed 1,372,995 Common

Shares and 686,497 Purchase Warrants, upon the terms and conditions set forth herein for the purpose of covering over-allotments made in connection with the Offering (as defined below) and for market stabilization purposes. The Underwriters may elect to exercise the Over-Allotment Option for Over-Allotment Units only or Over-Allotment Warrants only or any combination thereof, but in no event shall the number of Offered Units sold under the Over-Allotment Option be in excess of 15% of the Offered Units. The Over-Allotment Option shall be exercisable, in whole or in part, and from time to time, by the Lead Underwriter on behalf of the Underwriters, by giving written notice to the Corporation on or before a date that is not later than thirty (30) days following the Closing Date (as defined below). Any such election to purchase the Over-Allotment Units and/or Over-Allotment Warrants may be exercised only by written notice from the Lead Underwriter on behalf of the Underwriters, to the Corporation by 5:00 p.m. (Toronto time) on or before the 30th day following the Closing Date, such notice to set forth: (i) the aggregate number of Over-Allotment Units and/or Over-Allotment Warrants to be purchased; and (ii) the closing date for the Over-Allotment Option, provided that such closing date shall not be less than three (3) Business Days and no more than seven (7) Business Days following the date of such notice. Pursuant to such notice, the Underwriters shall severally, and not jointly, nor jointly and severally, purchase in their respective percentages set out in Section 18 below, and the Corporation shall deliver and sell, the number of Over-Allotment Units and/or Over-Allotment Warrants indicated in such notice, in accordance with the provisions of this Agreement.

The Units and the Over-Allotment Units are collectively referred to herein as the "**Offered Units**" and the offering of the Offered Units by the Corporation is hereinafter referred to as the "**Offering**". The price of any Offered Units sold under this Agreement shall be the Offering Price.

In consideration of the services to be rendered by the Underwriters in connection with the Offering, the Corporation agrees to pay to the Underwriters the Commission (as defined below), which shall be due and payable at the Time of Closing (as defined below).

The Underwriters may offer the Offered Units at a price less than the Offering Price as described in further detail in Section 18 below, in compliance with Canadian Securities Laws and, specifically, the requirements of, NI 44-101, NI 44-102 and the disclosure concerning the same contained in the Prospectus and the U.S. Private Placement Memorandum.

The Underwriters and the Corporation also acknowledge and agree that in conjunction with the Offering, the Corporation may complete, on a private placement basis, a non-brokered offering of up to 2,222,222 Common Shares, at a price of $0.90 per Common Share for gross proceeds of up to $2,000,000 (the "**Concurrent Private Placement**"). The Underwriters and the Corporation also acknowledge and agree that the Common Shares issued under the Concurrent Private Placement will be sold directly by the Corporation; that no fee will be payable in respect thereto to the Underwriters and that the Underwriters shall have no obligation or liability in respect of the Concurrent Private Placement, the closing of which is expected to occur on the Closing Date.

TERMS AND CONDITIONS

The following are additional terms and conditions of this Agreement between the Corporation and the Underwriters:

Section 1 Definitions and Interpretation

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

"**Accredited Investor**" means an "accredited investor" as defined in Rule 501(a) of Regulation D;

"**affiliate**" shall have the meaning ascribed thereto in the Nova Scotia Act;

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

"**Base Prospectus**" shall have the meaning ascribed thereto in Section 3(1);

"**Broker Warrants**" has the meaning ascribed thereto in Section 14;

"**Business Assets**" means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated or used, including all real property, fixed assets, warehouse facilities, equipment, inventories and accounts receivable, in respect of the Corporation's and the Subsidiary's businesses in the biopharmaceutical industry;

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

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

"**Canadian Shelf Procedures**" has the meaning ascribed thereto in Section 3(1);

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

"**Closing Date**" means September 4, 2014 or such earlier or later date as may be agreed to in writing by the Corporation and the Underwriters, each acting reasonably;

"**Commission**" has the meaning ascribed thereto in Section 14;

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

"**Concurrent Private Placement**" shall have the meaning ascribed thereto in the seventh paragraph of this Agreement;

"**Debt Instrument**" means any loans, notes, bonds, debentures, indentures, promissory notes (including those issued in connection with various acquisitions), mortgages, guarantees or other instruments evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Corporation or the Subsidiary are a party or to which their property or assets are otherwise bound;

"**Decision Document**" has the meaning ascribed thereto in Section 3(1);

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

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

"**Employee Plans**" has the meaning ascribed thereto in Section 7(ccc);

"**Environmental Laws**" has the meaning ascribed thereto in Section 7(hh)(i);

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

"**Governmental Authority**" means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

"**Hazardous Materials**" has the meaning ascribed thereto in Section 7(hh)(i);

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

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

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

"**Leased Premises**" means all premises which the Corporation and/or the Subsidiary occupies as a tenant;

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

"**Marketing Documents**" means the "marketing materials" (as such term is defined in NI 41-101) which have been approved by the Corporation and the Lead Underwriter in accordance with NI 41-101;

"**Material Adverse Effect**" means any event, change, fact, or state of being which could reasonably be expected to have a significant and adverse effect on the business, affairs, capital, operation, prospects, permits, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of the Corporation and the Subsidiary considered on a consolidated basis;

"**Material Agreement**" means any and all contracts, commitments, agreements (written or oral), instruments, leases or other documents, including without limitation joint venture agreements, licences, sub-licenses, finance leases, supply agreements, distribution agreements, transportation agreements, sales agreements or any other similar type agreements, to which the Corporation or the Subsidiary are a party or to which their Business Assets are otherwise bound, and which is material to the Corporation and the Subsidiary considered on a consolidated basis;

"**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto in the Nova Scotia Act;

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

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

"**Money Laundering Laws**" has the meaning ascribed therefore in Section 7(uu);

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

"**NI 44-101**" means National Instrument 44-101 - *Short Form Prospectus Distributions*;

"**NI 44-102**" means National Instrument 44-102 – *Shelf Distributions*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

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

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

"**Nova Scotia Act**" means the *Securities Act* (Nova Scotia);

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

"**Offering**" means the offering of the Offered Units pursuant to this Agreement;

"**Offering Documents**" means the Base Prospectus, the Prospectus, the U.S. Private Placement Memorandum, the Marketing Documents and any Supplementary Material;

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

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

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

"**Over-Allotment Unit Shares**" has the meaning ascribed thereto in the third paragraph of this Agreement;

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

"**Permit**" means any licence, permit, approval, consent, certificates, registration or other authorization of or issued by any Governmental Authority, including for certainty any required under Environmental Laws;

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

"**Preliminary Base Prospectus**" has the meaning ascribed thereto in Section 3(1);

"**principal regulator**" means the Nova Scotia Securities Commission;

"**Prospectus**" has the meaning ascribed thereto in Section 3(2);

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

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

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

"**Qualifying Jurisdictions**" means the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland and Labrador;

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

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

"**Repayment Event**" has the meaning ascribed thereto in Section 7(oo);

"**Reviewing Authority**" has the meaning ascribed thereto in Section 3(1);

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

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

"**Securities Commissions**" has the meaning ascribed thereto in Section 3(1);

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

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

"**Securities**" means the Units, the Over-Allotment Units, the Unit Shares, the Over-Allotment Unit Shares, the Purchase Warrants, the Over-Allotment Warrants, the Broker Warrants and the Underlying Common Shares, collectively or individual, as the context requires;

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

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

"**Shelf Securities**" has the meaning ascribed thereto in Section 3(1);

"**subsidiary**" means a subsidiary for purposes of the Nova Scotia Act, as constituted at the date of this Underwriting Agreement;

"**Subsidiary**" means the entity set out in Schedule "A" to this Agreement in which the Corporation directly holds the type and percentage of securities therein set forth;

"**Substituted Purchasers**" has the meaning ascribed thereto in Section 18;

"**Supplementary Material**" has the meaning ascribed thereto in Section 3(2);

"**Time of Closing**" means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as may be agreed to by the Corporation and the Lead Underwriter;

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

"**Underlying Common Shares**" means the Common Shares issuable upon the exercise of the Purchase Warrants, the Over-Allotment Warrants and Broker Warrants in accordance with their terms;

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

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

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

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

"**U.S. Affiliates**" means the United States registered broker-dealer affiliates of the Underwriters (other than Maxim);

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

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

"**U.S. Purchasers**" means Qualified Institutional Buyers or Accredited Investors purchasing Offered Units in the United States in accordance with Schedule "B" hereto;

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

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

"**Warrant Indenture**" means the warrant indenture to be dated the Closing Date between the Corporation and Computershare Trust Company of Canada, providing for the creation and issuance of the Purchase Warrants and the Over-Allotment Warrants.

(2) Any reference in this Agreement to a section or subsection shall refer to a section or subsection of this Agreement.

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

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

(5) The following are the schedules to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A" Subsidiary
Schedule "B" Terms and Conditions for United States Offers and Sales

Section 2 Attributes of the Offered Units.

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

Section 3 Filing of Prospectus.

(1) The Corporation has prepared and filed with the securities regulatory authorities in the Qualifying Jurisdictions (collectively, the "**Securities Commissions**") a preliminary short form base shelf prospectus dated August 20, 2012 (collectively, the "**Preliminary Base Prospectus**"), and a final short form base shelf prospectus dated August 27, 2012 in respect of up to $10,000,000 aggregate principal amount of preferred shares, common shares, subscription receipts, warrants and units of the Corporation (collectively, the "**Shelf Securities**") pursuant to applicable Canadian Securities Laws. The Corporation selected the Nova Scotia Securities Commission (the "**Reviewing Authority**") as its principal regulator in respect of the offering of the Shelf Securities, and the Reviewing Authority has issued a decision document (a "**Decision Document**") under MI 11-102 on behalf of itself and the other Securities Commissions for each of the Preliminary Base Prospectus and the Base Prospectus. The term "**Base Prospectus**" means the final short form base shelf prospectus relating to the Shelf Securities, including any documents incorporated therein by reference and the documents otherwise deemed to be a part thereof or included therein pursuant to Canadian Securities Laws, at the time the Reviewing Authority issued a Decision Document with respect thereto in accordance with Canadian Securities Laws, including NI 44-101 and NI 44-102 (together, the "**Canadian Shelf Procedures**").

(2) The Corporation shall, not later than 8:00 p.m. (Toronto time) on August 27, 2014, prepare and file with the Securities Commissions a prospectus supplement relating to the Offered Units (together with the Base Prospectus, and including any documents incorporated therein by reference and the documents otherwise deemed to be a part thereof or included therein pursuant to Canadian Securities Laws, the "**Prospectus**"). Any amendment to the Prospectus, any amended or supplemental prospectus, any management information circular, financial statement, management's discussion and analysis, annual information form, material change report, auxiliary material,

information, evidence, return, report, application, statement or document that may be filed by or on behalf of the Corporation under the applicable Canadian Securities Laws prior to the expiry of the period of distribution of the Offered Units, where such document is deemed to be incorporated by reference into the Prospectus, is referred to herein collectively as the "**Supplementary Material**."

(3) All references in this Agreement to financial statements and other information which is "contained," "included" or "stated" in the Preliminary Base Prospectus, the Base Prospectus or the Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and other information which is incorporated by reference in or otherwise deemed by Canadian Securities Laws to be a part of or included in the Preliminary Base Prospectus, the Base Prospectus, or the Prospectus, as the case may be.

(4) For purposes of this Agreement, all references to the Preliminary Base Prospectus, the Base Prospectus and the Prospectus, or any amendment or supplement to any of the foregoing (including any Supplementary Material), shall be deemed to include the copy filed with the Securities Commissions on SEDAR.

(5) Until the date on which the distribution of the Offered Units is completed, the Corporation shall promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Units for sale to the public and the grant of the Over-Allotment Option to the Underwriters, or, in the event that the Offered Units or the Over-Allotment Option have, for any reason, ceased to so qualify, to again so qualify them.

(6) Prior to the filing or use of the Offering Documents and thereafter, during the period of distribution of the Offered Units, the Corporation shall have allowed the Underwriters to participate fully in the preparation of, and, acting reasonably, to approve the form and content of, such documents and shall have allowed the Underwriters to conduct all due diligence investigations (which shall include the attendance of management of the Corporation, the auditors and any other consultants requested by the Underwriters at one or more due diligence sessions to be held) which they may reasonably require in order to fulfill their obligations as Underwriters and in order to enable them to responsibly execute the certificate required to be executed by them at the end of the Prospectus.

Section 4 Deliveries on Filing and Related Matters.

(1) The Corporation shall deliver to each of the Underwriters:

(a) prior to the time of filing thereof, a copy of the Prospectus manually signed on behalf of the Corporation, by the persons and in the form signed and certified as required by Canadian Securities Laws;

(b) prior to the time of filing thereof, a copy of any Supplementary Material, or other document required to be filed with or delivered to, the Securities

Commissions by the Corporation under Canadian Securities Laws in connection with the Offering, including any document incorporated by reference in the Prospectus (other than documents already filed publicly with a Securities Commission); and

(c) concurrently with the filing of the Prospectus with the Securities Commissions, a "long-form" comfort letter of PricewaterhouseCoopers LLP dated the date of the Prospectus (with the requisite procedures to be completed by such auditor within two (2) Business Days of the date of such letter), in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors and officers of the Corporation, with respect to certain financial and accounting information relating to the Corporation in the Prospectus, including all Documents Incorporated by Reference, which letter shall be in addition to the auditors' report incorporated by reference in the Prospectus.

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

(2) The Corporation represents and warrants to the Underwriters with respect to the Offering Documents that as at their respective dates of delivery:

(a) all information and statements in such documents (including information and statements incorporated by reference) (except information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus) are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offering and the Offered Units, as required by Canadian Securities Laws;

(b) no material fact or information in such documents (including information and statements incorporated by reference) (except information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and

(c) except with respect to information and statements relating solely to the Underwriters and furnished by them specifically for use in a Prospectus, the Offering Documents comply fully with the requirements of the Canadian Securities Laws.

(3) The Corporation shall cause commercial copies of the Prospectus and the applicable U.S. Private Placement Memorandum, as the case may be, to be delivered to the Underwriters without charge, in such quantities and in such cities as the Underwriters may reasonably request by written instructions to the printer of such documents as soon

as possible after the filing of the Prospectus with the Securities Commissions, but, in any event on or before noon (Toronto time) on the next Business Day after the filing of the Prospectus. Such deliveries shall constitute the consent of the Corporation to the Underwriters' use of the Prospectus for the distribution of the Offered Units in the Qualifying Jurisdictions through the Underwriters (other than Maxim) in compliance with the provisions of this Agreement and Canadian Securities Laws and of the U.S. Private Placement Memorandum for the offer and sale of the Offered Units in the United States in compliance with the provisions of this Agreement and U.S. Securities Laws. The Corporation shall similarly cause to be delivered commercial copies of any Supplementary Material and hereby similarly consents to the Underwriters' use thereof. The Corporation shall cause to be provided to the Underwriters, without cost, such number of copies of any Documents Incorporated by Reference as the Underwriters may reasonably request for use in connection with the distribution of the Offered Units.

(4) Subject to compliance with Canadian Securities Laws, during the period commencing on the date hereof and until completion of the distribution of the Offered Units, the Corporation will promptly provide to the Lead Underwriter drafts of any press releases of the Corporation for review by the Lead Underwriter prior to issuance and shall obtain the prior approval of the Lead Underwriter as to the content and form of any press release relating to the Offering prior to issuance, such approval not to be unreasonably withheld or delayed. If required by Securities Laws, any press release announcing or otherwise referring to the Offering disseminated in the United States shall comply with the requirements of Rule 135c promulgated under the U.S. Securities Act and any press release announcing or otherwise referring to the Offering disseminated outside the United States shall include an appropriate notation on each page as follows: "*Not for distribution to the U.S. news wire services, or dissemination in the United States*".

Section 5 Material Change.

(1) During the period from the date of this Agreement to the completion of the distribution of the Offered Units, the Corporation covenants and agrees with the Underwriters that it shall promptly notify the Underwriters in writing with full particulars of:

(a) any material change (actual, anticipated, contemplated or threatened) in respect of the Corporation and its Subsidiary considered on a consolidated basis;

(b) any material fact in respect of the Corporation which has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such document; and

(c) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents which fact or change is, or may be, of such a nature as to render any statement in such Offering Document misleading or untrue in any material respect or which would result in a misrepresentation in the Offering Document or which would result in any of

the Offering Documents not complying (to the extent that such compliance is required) with Securities Laws.

The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Lead Underwriter, acting reasonably, with all applicable filings and other requirements under Canadian Securities Laws as a result of such fact or change; provided that the Corporation shall not file any Supplementary Material or other document without first providing the Lead Underwriter with a copy of such Supplementary Material or other document and consulting with the Lead Underwriter with respect to the form and content thereof, and the Lead Underwriter shall provide their input on same in a timely manner. The Corporation shall in good faith discuss with the Lead Underwriter any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is or could be reasonable doubt whether written notice need be given under this Section 5.

(2) If during the period of distribution of the Offered Units there shall be any change in Canadian Securities Laws which, in the opinion of the Lead Underwriter and its legal counsel, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Lead Underwriter, the Corporation covenants and agrees with the Lead Underwriter that it shall, to the satisfaction of the Lead Underwriter, acting reasonably, promptly prepare and file such Supplementary Material with the appropriate Securities Commissions where such filing is required.

(3) During the period from the date of this Agreement to the completion of the distribution of the Offered Units, the Corporation will notify the Lead Underwriter promptly:

(a) when any supplement to the Offering Documents or any Supplementary Material shall have been filed;

(b) of any request by any Securities Commission to amend or supplement the Prospectus or for additional information;

(c) of the suspension of the qualification of the Offered Units or the Over-Allotment Option for offering, sale or grant in any jurisdiction, or of any order suspending or preventing the use of the Offering Documents (or any Supplementary Material) or of the institution or, to the knowledge of the Corporation, threatening of any proceedings for any such purpose; and

(d) of the issuance by any Securities Commission or any stock exchange of any order having the effect of ceasing or suspending the distribution of the Offered Units or the trading in any securities of the Corporation, or of the institution or, to the knowledge of the Corporation, threatening of any proceeding for any such purpose. The Corporation will use its reasonable best efforts to prevent the issuance of any such stop order or of any order preventing or suspending such use or such order ceasing or suspending the distribution of the Offered Units or the trading in the shares of the Corporation and, if any such order is issued, to obtain the lifting thereof at the earliest possible time.

Section 6 Regulatory Approvals.

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

Section 7 Representations and Warranties of the Corporation.

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

(a) *Good Standing of the Corporation*. The Corporation: (i) is a corporation existing under the laws of Canada and is and will at the Time of Closing be current and up-to-date with all material filings required to be made and in good standing under the *Canada Business Corporations Act*; (ii) has all requisite corporate power and capacity to own, lease and operate its properties and assets, including its Business Assets, and to conduct its business as now carried on by it as described in the Offering Documents; and (iii) has all requisite corporate power and authority to issue and sell the Securities, to grant the Over-Allotment Option, and to execute, deliver and perform its obligations under this Agreement;

(b) *Good Standing of Subsidiary*. The Corporation's only subsidiary is the Subsidiary listed in Schedule "A" hereto, which schedule is true, complete and accurate in all respects. The Subsidiary is a corporation incorporated under the laws of the jurisdiction of incorporation set out in Schedule "A", is current and up-to-date with all material filings required to be made and has all requisite corporate power and capacity to own, lease and operate its properties and assets, including its Business Assets, and to conduct its business as is now carried on by it or proposed to be carried on by it, and is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required. All of the issued and outstanding shares in the capital of the Subsidiary have been duly authorized and validly issued, are fully paid and are directly beneficially owned by the Corporation, free and clear of any Liens, except as disclosed in the Financial Statements. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Corporation to sell, transfer or otherwise dispose of any securities of the Subsidiary;

(c) *No Proceedings for Dissolution*. No act or proceeding has been taken by or against the Corporation or the Subsidiary in connection with their liquidation, winding-up or bankruptcy, or to their knowledge are pending;

(d) *Capitalization*. The authorized and issued share capital of the Corporation consists of an unlimited number of Common Shares, of which 79,550,642 were issued and outstanding as at the close of business on August 25, 2014, and an unlimited number of preferred shares, of which none are issued and outstanding as at the close of business on August 25, 2014. As of the date hereof, 5,345,716 options to acquire Common Shares and 31,325 Common Share purchase warrants were issued and outstanding. Neither the Corporation nor its Subsidiary are party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any securities of the Corporation or its Subsidiary;

(e) *Share Capital of Subsidiary.* The authorized and issued share capital of the Subsidiary is set forth in Schedule "A" hereto is true and correct;

(f) *Form of Share and Warrant Certificates.* The form of certificate respecting the Common Shares, the Purchase Warrants and the Broker Warrants have been approved and adopted by the board of directors of the Corporation and do not conflict with any applicable laws and comply with the rules and regulations of the TSXV;

(g) *Offered Units are Listed.* The Common Shares are listed and posted for trading on the TSXV, and the Corporation will apply to list the Unit Shares, the Over-Allotment Unit Shares and the Underlying Common Shares on the TSXV and neither the Corporation nor its Subsidiary has taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSXV;

(h) *Stock Exchange Compliance.* The Corporation is, and will at the Time of Closing be, in compliance in all material respects with the by-laws, rules and regulations of the TSXV;

(i) *No Cease Trade Orders.* No order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of securities by the Corporation has been issued by an exchange or securities regulatory authority, and no proceedings for this purpose have been instituted, or are, to the Corporation's knowledge, pending, contemplated or threatened;

(j) *Reporting Issuer Status.* As at the date hereof, the Corporation is a "reporting issuer" within the meaning of Canadian Securities Laws in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland and Labrador, and is not currently in default of any requirement of the Canadian Securities Laws of such jurisdictions and the Corporation is not included on a list of defaulting reporting issuers maintained by any of the Securities Commissions of such jurisdictions;

(k) *Common Shares Valid.* The Unit Shares, the Over-Allotment Unit Shares and the Underlying Common Shares have been duly and validly authorized for issuance and sale pursuant to this Agreement and when issued and delivered

by the Corporation pursuant to this Agreement, against payment of the consideration set forth herein, will be validly issued as fully paid and non-assessable Common Shares. The Unit Shares, the Over-Allotment Unit Shares and the Underlying Common Shares, upon issuance, will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;

(l) *Warrants Valid.* The Purchase Warrants, the Over-Allotment Warrants and the Broker Warrants have been duly and validly authorized for issuance pursuant to this Agreement and when issued and delivered by the Corporation pursuant to this Agreement, against payment of the consideration set forth herein, will be validly issued as fully paid and non-assessable securities of the Corporation. The Purchase Warrants, Over-Allotment Warrants and the Broker Warrants, upon issuance, will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;

(m) *Offered Units Qualified Investments.* The Unit Shares, the Over-Allotment Unit Shares and the Underlying Common Shares will be, once listed on the TSXV, qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax free savings accounts;

(n) *Transfer Agent.* Computershare Investor Services Inc. at its offices in Toronto, Ontario and Halifax, Nova Scotia has been duly appointed as the transfer agent and registrar for the Common Shares;

(o) *Absence of Rights.* No person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other agreement or option, for the issue or allotment of any unissued shares of the Corporation or any other security convertible into or exchangeable for any such shares or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding shares of the Corporation;

(p) *Corporate Actions.* The Corporation has taken, or will have taken prior to the Time of Closing, all necessary corporate action, (i) to authorize the execution, delivery and performance of this Agreement, the Warrant Indenture and the Offering Documents, (ii) to validly issue and sell (x) the Units and (y) the Unit Shares and the Over-Allotment Unit Shares as fully paid and non-assessable Common Shares, (iii) to grant the Over-Allotment Option; and (iv) to grant the Purchase Warrants, the Over-Allotment Warrants and Broker Warrants and upon payment therefor, to validly issue the Underlying Common Shares as fully paid and non-assessable Common Shares;

(q) *Valid and Binding Documents.* This Agreement has been, and the Warrant Indenture will be, duly authorized, executed and delivered by the Corporation

and constitutes a legal, valid and binding obligation of, and is enforceable against, the Corporation in accordance with its terms, provided that enforcement thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, and that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitations of Actions Act* (Nova Scotia);

(r) *No Consents, Approvals etc.* The execution and delivery of this Agreement and the fulfilment of the terms hereof by the Corporation and the issuance, sale and delivery of the Securities to be issued and sold by the Corporation and the grant of the Over-Allotment Option do not and will not require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange or other third party, except: (i) those which have been obtained or those which may be required and shall be obtained prior to the Time of Closing under the Securities Laws or the rules of the TSXV, including in compliance with the Securities Laws regarding the distribution of the Securities and the grant of the Over-Allotment Option in the Qualifying Jurisdictions; and (ii) such customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws and any "blue sky laws" in the United States, as may be required in connection with the Offering;

(s) *Continuous Disclosure.* The Corporation is in compliance in all material respects with its timely disclosure obligations under Canadian Securities Laws and, without limiting the generality of the foregoing, there has not occurred an adverse material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition or capital of the Corporation and its Subsidiary (taken as a whole) which has not been publicly disclosed and the information and statements in the Documents Incorporated by Reference were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations and no material facts have been omitted therefrom which would make such information materially misleading, and the Corporation has not filed any confidential material change reports which remain confidential as at the date hereof;

(t) *Forward-Looking Information*. With respect to forward-looking information contained in the Corporation's public disclosure documents, including for certainty the Documents Incorporated by Reference: (i) the Corporation has a reasonable basis for the forward-looking information; and (ii) all material forward-looking information is identified as such, and all such documents cautions users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information, and accurately states the material factors or assumptions used to develop forward-looking information;

(u) *Financial Statements.* The Financial Statements:

(i) present fairly, in all material respects, the financial position of the Corporation on a consolidated basis and the statements of operations, retained earnings, cash flow from operations and changes in financial information of the Corporation on a consolidated basis for the periods specified in such Financial Statements;

(ii) have been prepared in conformity with generally accepted accounting principles in Canada and/or IFRS, applied on a consistent basis throughout the periods involved; and

(iii) do not contain any misrepresentations, with respect to the period covered by the Financial Statements;

(v) *Off-Balance Sheet Transactions*. There are no material off-balance sheet transactions, arrangements, obligations or liabilities of the Corporation or its Subsidiary whether direct, indirect, absolute, contingent or otherwise which are required to be disclosed and are not disclosed or reflected in the Financial Statements;

(w) *Accounting Policies.* There has been no change in accounting policies or practices of the Corporation or its subsidiary since December 31, 2013;

(x) *Liabilities.* Neither the Corporation, nor the Subsidiary has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements or referred to or disclosed herein, other than liabilities, obligations, or indebtedness or commitments: (i) incurred in the normal course of business; or (ii) which would not have a Material Adverse Effect;

(y) *Independent Auditors.* The auditors who reported on and certified the Financial Statements for the fiscal year ended December 31, 2013 are independent with respect to the Corporation within the meaning of Canadian Securities Laws and other than as publicly disclosed by the Corporation on SEDAR, there has never been a "reportable event" (within the meaning of NI 51-102) with any past or present auditors of the Corporation during the last three years;

(z) *Accounting Controls.* The Corporation and the Subsidiary maintain, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and/or IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any

differences. Each of the Corporation and the Subsidiary maintain disclosure controls and procedures and internal control over financial reporting as those terms are defined in NI 52-109 and as at December 31, 2013, such controls were effective. Since the end of the Corporation's most recent audited fiscal year, the Corporation is not aware of any material weakness in the Corporation's internal control over financial reporting (whether or not remediated) or change in the Corporation's internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Corporation's internal control over financial reporting;

(aa) *Audit Committee*. The Corporation's board of directors has validly appointed an audit committee whose composition satisfies the requirements of NI 52-110, and the audit committee of the Corporation operates in accordance with all material requirements of NI 52-110;

(bb) *Purchases and Sales*. Neither the Corporation nor the Subsidiary has approved, has entered into any agreement in respect of:

(i) the purchase of any Business Assets or any interest therein other than as disclosed in the Prospectus, or the sale, transfer or other disposition of any Business Assets or any interest therein currently owned, directly or indirectly, by the Corporation or the Subsidiary whether by asset sale, transfer of shares, or otherwise, other than as disclosed in the Prospectus, or in the continuous disclosure record of the Corporation;

(ii) the change of control (by sale or transfer of Common Shares or sale of all or substantially all of the assets of the Corporation or the Subsidiary or otherwise) of the Corporation or the Subsidiary; or

(iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares or common shares of the Subsidiary;

(cc) *Title to Business Assets.* The Corporation and the Subsidiary have good, valid and marketable title to and have all necessary rights in respect of all of their Business Assets as owned, leased, licensed, loaned, operated or used by them or over which they have rights, free and clear of Liens, and no other rights or Business Assets are necessary for the conduct of the business of the Corporation or the Subsidiary as currently conducted or as proposed to be conducted. The Corporation knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Corporation or the Subsidiary to use, transfer, lease, license, operate, sell or otherwise exploit such Business Assets, neither the Corporation nor the Subsidiary have any obligation to pay any ongoing commission, license fee or similar payment to any person in respect thereof and there are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the rights, title or interests in the Business Assets of the Corporation or the Subsidiary;

(dd) *Compliance with Laws and Regulatory Approvals and Authorizations*. All operations of the Corporation and its Subsidiary in respect of or in connection with the Business Assets have been and continue to be conducted in material compliance with all applicable laws; except as would not result in a Material Adverse Effect, the Corporation and the Subsidiary have obtained and are in compliance with all regulatory approvals, licenses, consents, permits, certificates, registrations, filings and authorizations under all applicable laws, including import and trade laws, in the jurisdictions in which they carry on business, to permit them to conduct their business as currently conducted or proposed to be conducted;

(ee) *Business Operations*. All agreements with third parties (including all suppliers, vendors, distributors and customers) for the provision/supply or sale of supplies, products or services in connection with the business of the Corporation and the Subsidiary, have been entered into and are being performed in material compliance with their terms;

(ff) *Business Relationships*. There exists no actual or, to the knowledge of the Corporation, threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Corporation or the Subsidiary, with any supplier, vendor, distributor or customer, or any group of suppliers, vendors, distributors or customers whose business with or whose inventories or purchases provided to the business of the Corporation or the Subsidiary are individually or in the aggregate material to the assets, business, properties, operations or financial condition of the Corporation or the Subsidiary. All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent the Corporation or the Subsidiary from conducting such business with any such supplier, vendor, distributor or customer, or group of suppliers, vendors, distributors or customers in the same manner in all material respects as currently conducted or proposed to be conducted;

(gg) *Leased Premises.* With respect to any Leased Premises, the Corporation or the Subsidiary who occupies the Leased Premises has the exclusive right to occupy and use the Leased Premises, the use by the Corporation and the Subsidiary of each of their Leased Premises is permitted by the terms of the real property lease relating to such Leased Premises, and each of the leases pursuant to which the Corporation or the Subsidiary occupies the Leased Premises is in good standing and in full force and effect. The Corporation conducted all necessary procedures in accordance with its internal programs to identify and address any contamination issues prior to the leasing of any such Leased Premises. Neither the Corporation nor the Subsidiary is in breach or default of any material term or provision of any real property lease, or has received any notice or other communication from the owner or manager of any of the Leased Premises that the Corporation or the Subsidiary is not in compliance with any term or condition of any such real property lease, and to the best

knowledge of the Corporation, no notice or other communication is pending or has been threatened. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases;

(hh) *Environmental Laws.*

(i) Each of the Corporation and the Subsidiary is in compliance with any and all applicable federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health and safety, the environment (including, without limitation, 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 chemicals, fluids, pollutants, contaminants, wastes, toxic substances, radioactive materials, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, blending, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**"), except where the violation would not reasonably be expected, on an individual or aggregate basis, to have a Material Adverse Effect;

(ii) the Corporation and the Subsidiary have all Permits necessary for the ownership and use of the Business Assets and the operation of the business carried on or proposed to be carried on by them, and all such Permits are valid, subsisting, in good standing and in full force and effect, and each of the Corporation and the Subsidiary is in compliance with the requirements thereof, except where such failure would not reasonably be expected, on an individual or aggregate basis, to have a Material Adverse Effect. The Corporation has not received any notification pursuant to any Environmental Laws that any work, repairs, or capital expenditures are required to be made by it or the Subsidiary as a condition of continued compliance with any Environmental Laws or Permits, or that any such Permits are about to be reviewed, made subject to limitation or condition, revoked, withdrawn or terminated, and to the knowledge of the Corporation, no such procedures or proceedings are pending or threatened;

(iii) all facilities and properties currently or formerly owned, leased, used or otherwise controlled, and any and all operations of the Corporation and the Subsidiary in connection with their business, have been operated and conducted in compliance with all applicable laws, rules, regulations, order and directions of any Government Authority, including

Environmental Laws and Permits, and all applicable workers' compensation and health and safety and workplace laws, regulations and policies;

(iv) there are no outstanding, pending or, to the knowledge of the Corporation, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, liens, order, directions or notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws or reclamation or closure obligations against the Corporation or the Subsidiary, which if determined adversely, would reasonably be expected to have a Material Adverse Effect and the Corporation knows of no basis for any such aforementioned liabilities to arise in the future as a result of any activity conducted by the Corporation or the Subsidiary (including any predecessor companies thereof), on any properties currently or formerly owned, leased, used or otherwise controlled by them. Neither the Corporation or its Subsidiary (including any predecessor companies thereof) has received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and neither the Corporation nor its Subsidiary (including any predecessor companies thereof) has settled any allegation of material non-compliance short of prosecution;

(v) the Corporation and its Subsidiary has operated its business at all times and has received, handled, manufactured, used, stored, treated, shipped and disposed of all Hazardous Materials without violation of Environmental Laws, there have been no spills, releases, deposits or discharges of Hazardous Materials into the earth, air or into any body of water or any municipal or other sewer or drainage systems by the Corporation or the Subsidiary that have not been remedied and neither the Corporation nor the Subsidiary have received any notice wherein it is alleged or stated that it is potentially responsible in a material amount for a federal, provincial, state, municipal or local clean-up site or corrective action under any Environmental Laws;

(vi) neither the Corporation nor the Subsidiary has failed to report to any Governmental Authority, the occurrence of any event which is required to be so reported under Environmental Laws or the terms and conditions of any Permits; and

(vii) there are no environmental audits, evaluations, assessments, studies or tests relating to the Corporation or the Subsidiary except for ongoing assessments conducted by or on behalf of the Corporation or the Subsidiary in the ordinary course;

(ii) *Intellectual Property.* The Corporation and the Subsidiary own or possess the right to use all material patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights necessary for the conduct of their respective

businesses as now conducted, and the Corporation is not aware of any claim to the contrary or any challenge by any other person to the rights of the Corporation and the Subsidiary with respect to the foregoing. To the knowledge of the Corporation, the Corporation's business, including that of the Subsidiary, as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with in any material respect patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other intellectual property or franchise right of any person. No claim has been made against the Corporation or the Subsidiary alleging the infringement by the Corporation or the Subsidiary of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person;

(jj) *Insurance.* The Corporation and the Subsidiary maintain insurance by insurers of recognized financial responsibility, against such losses, risks and damages to their Business Assets in such amounts that are customary for the business in which they are engaged and on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage, fidelity or surety bonds insuring the Corporation, the Subsidiary, and their respective directors, officers and employees, and the Business Assets, are in good standing and in full force and effect in all respects, and not in default. Each of the Corporation and the Subsidiary is in compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Corporation or the Subsidiary under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Corporation has no reason to believe that it will not be able to renew such 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 and the business of the Subsidiary at a cost that would not have a Material Adverse Effect, and neither the Corporation nor the Subsidiary has failed to promptly give any notice of any material claim thereunder;

(kk) *Material Agreements and Debt Instruments.* All of the Material Agreements and Debt Instruments of the Corporation and of the Subsidiary have been disclosed in the Offering Documents and each is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Corporation and the Subsidiary have performed all obligations (including payment obligations) in a timely manner under, and are in compliance with all terms and conditions (including all financial covenants) contained in each Material Agreement and Debt Instrument. Neither the Corporation nor the Subsidiary is in violation, breach or default nor has it received any notification from any party claiming that the Corporation or the Subsidiary is in breach, violation or default under any Material Agreement or Debt Instrument and no other party, to the knowledge of the Corporation, is in breach, violation or default of any term under any Material Agreement or Debt Instrument;

(ll) *No Material Changes*. Since December 31, 2013, except as disclosed in the Prospectus: (i) there has been no material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise) business, condition (financial or otherwise), properties, capital or results of operations of the Corporation and the Subsidiary considered on a consolidated basis; and (ii) there have been no transactions entered into by the Corporation or the Subsidiary, other than those in the ordinary course of business, which are material with respect to the Corporation and the Subsidiary considered as one enterprise;

(mm) *Absence of Proceedings.* There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency, governmental instrumentality or body, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation, the Subsidiary or the Business Assets (including in respect of any product liability claims, drug products, material patents, patent applications, copyrighted material, technologies, licenses or proprietary or other data or confidential information currently licensed or employed by the Corporation and its Subsidiary) which is required to be disclosed in the Offering Documents, and which if not so disclosed, or which if determined adversely, would have a Material Adverse Effect, or would materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Corporation of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Corporation or the Subsidiary is a party or of which any of their respective property or assets is subject, which are not described in the Offering Documents include only ordinary routine litigation incidental to the business, properties and assets of the Corporation and the Subsidiary and would not reasonably be expected to result in a Material Adverse Effect;

(nn) *Regulatory*. The Corporation represents and warrants that: (i) the Corporation and its Subsidiary is in compliance in all material respects with all applicable provisions of the *Food and Drugs Act* (Canada) and the regulations thereunder relating to its product candidates and activities and the *United States Federal Food, Drug and Cosmetic Act* and related legislation and regulations in the United States and the European Union; (ii) the Corporation and its Subsidiary is in compliance with the following specific requirements relating to product candidates and activities in Canada and to applicable foreign jurisdictions, including the United States: (A) all of the products used by the Corporation and its Subsidiary comply in all material respects with any conditions of approval and the terms of the applications, if any, submitted by or on behalf of the Corporation to Health Canada, the United States Food and Drug Administration, and to applicable foreign regulatory bodies; (B) all adverse events that were required to be reported by Corporation or its Subsidiary to Health Canada, the United States Food and Drug Administration, and to corresponding foreign regulatory bodies have been reported to Health Canada, the United States Food and Drug Administration and said corresponding

foreign regulatory body in a timely manner; and (C) all stability studies required to be performed by or on behalf of the Corporation for products used by the Corporation or its Subsidiary have been completed or are ongoing in accordance with the applicable Health Canada requirements and to the requirements of the applicable foreign jurisdictions, including in the United States; and (iii) all clinical trials of the Corporation and its Subsidiary have been, and will be, rendered in accordance with good clinical practices as required by the Food and Drug Administration;

(oo) *Absence of Defaults and Conflicts.* Neither the Corporation nor the Subsidiary is in material violation, default or breach of, and the execution, delivery and performance of this Agreement, the Offering Documents and the consummation of the transactions and compliance by the Corporation with its obligations hereunder, the sale of the Offered Units and Unit Shares, the grant of the Purchase Warrants, the Over-Allotment Warrants and the Broker Warrants and the grant of the Over-Allotment Option, do not and will not, whether with or without the giving of notice or passage of time or both, result in a material violation, default or breach of, or conflict with, or result in a Repayment Event or the creation or imposition of any Lien upon any property or assets of the Corporation, or the Subsidiary under the terms or provisions of: (i) any Material Agreements or Debt Instruments; (ii) the articles or by-laws or other constating documents or resolutions of the directors or shareholders of the Corporation or the Subsidiary; (iii) any existing applicable law, statute, rule, regulation including applicable Securities Laws; or (iv) any judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Corporation, or the Subsidiary or any of their assets, properties or operations.

As used herein, a "**Repayment Event**" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a material portion of such indebtedness by the Corporation or the Subsidiary;

(pp) *Labour.* No material labour dispute with the employees of the Corporation or the Subsidiary currently exists or, to the knowledge of the Corporation, is imminent. Neither the Corporation nor the Subsidiary is a party to any collective bargaining agreement and, to the knowledge of the Corporation, no other action has been taken or is contemplated to organize any employees of the Corporation or the Subsidiary;

(qq) *Taxes.* All tax returns, reports, elections, remittances and payments of the Corporation and the Subsidiary required by applicable law to have been filed or made in any applicable jurisdiction, have been filed or made (as the case may be) and are true, complete and correct except where the failure to make such filing, election, or remittance and payment would not constitute a Material Adverse Effect, and all taxes of the Corporation and of the Subsidiary

have been paid or accrued in the Financial Statements (except as any extension may have been requested or granted and in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect). To the best of the knowledge of the Corporation, after due enquiry, no examination of any tax return of the Corporation or the Subsidiary is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Corporation or the Subsidiary;

(rr) *Statistical and Market-Related Data*. The statistical, demographic and market-related data included in the Offering Documents is based on or derived from sources that the Corporation believes to be reliable and accurate or represent the Corporation's good faith estimates that are made on the basis of data derived from such sources.

(ss) *Unlawful Payment.* Neither the Corporation nor the Subsidiary nor to the knowledge of the Corporation, any employee or agent of the Corporation or the Subsidiary, has made any unlawful contribution or other payment to any official of, or candidate for, any Canadian or United States federal, state, provincial or municipal office or any similar office of any other country, or failed to disclose fully any contribution, in violation of any law, or made any payment to any federal, provincial, state or municipal governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws;

(tt) *Foreign Corrupt Practices Act*. None of the Corporation, its Subsidiary or, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or other person acting on behalf of the Corporation or its Subsidiary is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the *Foreign Corrupt Practices Act of 1977*, as amended, and the rules and regulations thereunder (the "**FCPA**") or the *Corruption of Foreign Public Officials Act* (Canada), as amended (the "**CFPOA**"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA), or any "foreign public official" (as such term is defined in the CFPOA), or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA and the CFPOA, and the Corporation and, to the knowledge of the Corporation , its affiliates have conducted their businesses in compliance with the FCPA and the CFPOA;

(uu) *Money Laundering Laws*. The operations of the Corporation and its Subsidiary are, and have been conducted at all times, in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money

laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or its Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;

(vv) *Significant Acquisitions.* The Corporation has not entered into any agreement to complete any "significant acquisition" nor is it proposing any "probable acquisitions" (as such terms are defined in NI 51-102) that would require the inclusion or incorporation by reference of any additional financial statements or *pro forma* financial statements in the Prospectus or the filing of a Business Acquisition Report pursuant to Canadian Securities Laws;

(ww) *Corporation Short Form Eligible.* The Corporation is eligible to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to applicable Canadian Securities Laws and on the date of and upon filing of the Prospectus there will be no documents required to be filed under the Canadian Securities Laws in connection with the distribution of the Offered Units that will not have been filed as required;

(xx) *Status in the U.S.* The Corporation makes the representations, warranties and covenants applicable to it in Schedule "B" hereto and acknowledges that the terms and conditions of the representations, warranties and covenants of the parties contained in Schedule "B" form part of this Agreement;

(yy) *Compliance with Laws.* The Corporation has complied, or will have complied, in all material respects with all relevant statutory and regulatory requirements required to be complied with prior to the Time of Closing in connection with the Offering. Neither the Corporation nor the Subsidiary are aware of any legislation or proposed legislation, which they anticipate will have a Material Adverse Effect;

(zz) *No Loans.* Neither the Corporation nor the Subsidiary have made any material loans to or guaranteed the material obligations of any person, other than loans and guarantees between the Corporation and the Subsidiary;

(aaa) *Directors and Officers.* To the best of its knowledge, none of the directors or officers of the Corporation are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;

(bbb) *Minute Books and Records.* The minute books and records of the Corporation and the Subsidiary made available to legal counsel for the Underwriters in connection with their due diligence investigation of the Corporation for the

period from the respective dates of incorporation to the date hereof are all of the minute books and records of the Corporation and the Subsidiary and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Corporation and the Subsidiary, as the case may be, to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation and the Subsidiary to the date hereof not reflected in such minute books and other records, other than those which have been disclosed to the Underwriters or which are not material in the context of the Corporation and the Subsidiary;

(ccc) *Employee Plans.* The Documents Incorporated by Reference disclose, to the extent required by applicable Canadian Securities Laws, each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former director, officer, employee or consultant of the Corporation (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans;

(ddd) *Dividends.* There are no restrictions upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation in the constating documents or in any Material Agreements or Debt Instruments;

(eee) *Fees and Commissions*. Other than the Underwriters pursuant to this Agreement or in relation to the Concurrent Private Placement, there is no other person acting at the request of the Corporation, or to the knowledge of the Corporation, purporting to act who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein;

(fff) *Entitlement to Proceeds*: Other than the Corporation, there is no person that is or will be entitled to demand the proceeds of the Offering;

(ggg) *Related Parties*. None of the directors, officers or employees of the Corporation, any known holder of more than 10% of any class of securities of the Corporation or securities of any person exchangeable for more than 10% of any class of securities of the Corporation, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the Nova Scotia Act), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected or is reasonably expected to

materially affect the Corporation and the Subsidiary, on a consolidated basis. Neither the Corporation nor the Subsidiary has any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act* (Canada)) with them; and

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

Section 8 Covenants of the Corporation

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

(1) *Notification of Filings*. The Corporation will advise the Underwriters, promptly after receiving notice thereof, of the time when the Offering Documents have been filed and will provide evidence reasonably satisfactory to the Underwriters of each such filing;

(2) *Notification of Adverse Matters*. The Corporation will advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, of:

(a) the issuance by any Securities Commission of any order suspending or preventing the use of the Offering Documents;

(b) the suspension of the qualification of the Offered Units in any of the Qualifying Jurisdictions; or

(c) the institution, threatening or contemplation of any proceeding for any such purposes; or any requests made by any Securities Commission for amending or supplementing the Offering Documents in any material way, or for additional material information, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (a) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;

(3) *Black-out Period.* The Corporation will not, directly or indirectly, offer, issue, sell or grant any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 60 days after the Closing Date, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld, except in conjunction with: (i) the Offering; (ii) the Concurrent Private Placement; (iii) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements; or (iv) obligations of the Corporation in respect of existing convertible instruments issued at the date hereof. Notwithstanding the foregoing, the Underwriters agree that Lead Underwriter's prior written consent, on behalf of the Underwriters, will not be required with respect to any offering of, announcement of an offering of or the entering into of any agreement to issue any additional equity or debt securities or securities convertible or exercisable into equity or debt securities of the Corporation with [redacted] **[Redacted for confidentiality reasons]** on terms and conditions determined in the sole discretion of the Corporation;

(4) *Maintain Reporting Issuer Status*. The Corporation will use its commercially reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland and Labrador, and following the filing of the Prospectus in each of the Qualifying Jurisdictions, to the date that is at least 24 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation;

(5) *Maintain Stock Exchange Listing*. The Corporation will use its commercially reasonable best efforts to maintain the listing of the Common Shares (including the Unit Shares, the Over-Allotment Unit Shares and Underlying Common Shares, if applicable) on the TSXV or any other recognized stock exchange or quotation system, for a period of at least 24 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation;

(6) *Validly Issued Securities*. The Corporation will, provided it receives payment therefor, ensure that at the Time of Closing the Unit Shares have been duly and validly issued as fully paid and non-assessable Common Shares;

(7) *Validly Issued Warrants*. The Corporation shall, provided it receives payment therefor, ensure that the Purchase Warrants, the Over-Allotment Warrants and Broker Warrants shall be validly created and that, upon the exercise in accordance with the terms thereof, including payment therefor, the Underlying Common Shares shall be duly and validly issued as fully paid and non-assessable securities in the capital of the Corporation and that at all times prior to the expiry thereof, sufficient Common Shares are allotted and

reserved for issuance upon the exercise of the Purchase Warrants, the Over-Allotment Warrants and Broker Warrants;

(8) *Use of Proceeds*. The Corporation will use the proceeds of the Offering in the manner specified in the Prospectus under the heading "Use of Proceeds", including circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary;

(9) *Consents and Approvals*. The Corporation will have made or obtained, as applicable, at or prior to the Time of Closing, all consents, approval, permits, authorizations or filings as may be required by the Corporation under Securities Laws necessary for the consummation of the transactions contemplated herein, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Securities Laws, "blue sky laws" in the United States and the rules of the TSXV; and

(10) *Closing Conditions*. The Corporation will have, at or prior to the Time of Closing, fulfilled or caused to be fulfilled, each of the conditions set out in Section 10 hereof.

Section 9 Representations, Warranties and Covenants of the Underwriters

(1) The Underwriter hereby severally, and not jointly, nor jointly and severally, represent and warrant to the Corporation, the following:

(a) *Registration*. The Underwriters are, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfill its obligations hereunder.

(b) *Authority*. The Underwriters have good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein.

(c) *Marketing Materials*. The Underwriters have not distributed any "marketing materials" (as such term is defined in NI 41-101) to any potential investors in connection with the Offering, without the prior written approval of the Corporation.

(2) The Underwriters hereby severally, and not jointly, nor jointly and severally, covenant and agree with the Corporation, the following:

(a) *Jurisdictions and Offering Price.* During the period of distribution of the Offered Units by or through the Underwriters (other than Maxim), the Underwriters (other than Maxim) will offer and sell Offered Units to the public only in the Selling Jurisdictions or where they may lawfully be offered for sale upon the terms and conditions set forth in the Prospectus and this Agreement either directly or through other registered investment dealers and brokers (the Underwriters (other than Maxim)). The Underwriters shall be entitled to assume that the Offered Units are qualified for distribution in any Qualifying Jurisdiction where the Prospectus shall have been filed. For greater certainty,

Maxim will not, directly or indirectly, solicit offers to purchase or sell Offered Units in Canada.

(b) *Compliance with Securities Laws.* The Underwriters will comply with applicable Securities Laws in connection with the offer and sale and distribution of the Offered Units and will use its commercially reasonable best efforts to ensure that all members of any selling dealer group will likewise comply with applicable Securities Laws.

(c) *U.S. Sales.* The Underwriters will not directly or indirectly, solicit offers to purchase or sell the Offered Units or deliver any Offering Document to purchasers so as to require registration of offer and sale of the Offered Units or the filing of a prospectus or registration statement with respect to those Offered Units under the laws of any jurisdiction other than the Qualifying Jurisdictions, including, without limitation, the United States. Any offer or sales of Offered Units (including any unsold allotment of Offered Units) in the United States or to U.S. persons will be made in accordance with the terms and conditions set out in this Agreement by U.S. Affiliates of the Underwriters (other than Maxim) registered (i) as broker-dealers pursuant to the registration requirements of Section 15(b) of U.S. Exchange Act and (ii) as broker-dealers in the states in which such sales are made (unless exempted from the respective state's broker-dealer registration requirements). The terms and conditions and the representations, warranties and covenants of the parties contained in Schedule "B" form part of this Agreement.

(d) *Completion of Distribution.* The Underwriters will use their reasonable best efforts to complete the distribution of the Offered Units as promptly as possible after the Time of Closing, but in any event no later than thirty (30) days following the Closing Date. The Underwriters will notify the Corporation when, in the Underwriters' opinion, the Underwriters have ceased the distribution of the Offered Units, and, within thirty (30) days after the Closing Date, will provide the Corporation, in writing, with a breakdown of the number of Offered Units distributed (i) in each of the Qualifying Jurisdictions where that breakdown is required by a Securities Commission for the purpose of calculating fees payable to, or making filings with, that Securities Commission, and (ii) in any other Selling Jurisdictions.

(e) *Liability on Default.* No Underwriter shall be liable to the Corporation under this Section with respect to a breach or default by any of the other Underwriters.

(f) *Marketing Materials.* The Underwriters shall not distribute any marketing materials without the prior written approval of the Corporation.

(3) Maxim hereby covenants and agrees with the Corporation that:

(a) it will not sell or offer to sell, nor allow any agent, investment dealer or broker acting on behalf of Maxim in connection with the Offering to sell or offer to

sell, any of the Offered Units to any person resident in Canada or for the benefit of a person resident in Canada;

(b) concurrent with the Closing, Maxim will deliver to the Lead Underwriter, on behalf of the Underwriters (other than Maxim), with a copy to the Corporation, an "all-sold" certificate confirming that neither Maxim nor any of the agents, investment dealer or broker acting on Maxim's behalf in connection with the Offering, has offered or sold any of the Offered Units to any person resident in Canada or for the benefit of a person resident in Canada; and

(c) it shall include a statement in the confirmation slip or other notice provided to any purchaser of the Offered Units sold by Maxim that it is Maxim's understanding that such purchaser is not a resident of Canada nor is such purchaser holding such Offered Units on behalf of or for the benefit of a person resident in Canada.

Section 10 Conditions of Closing

The Underwriters' obligation to purchase the Offered Units, Unit Shares and Purchase Warrants pursuant to this Agreement (including the obligation to complete the purchase of the Units and the Over-Allotment Units, as the case may be) shall be subject to the following conditions:

(1) the Underwriters receiving at the Time of Closing, favourable legal opinions from McCarthy Tétrault LLP, legal counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, on the opinions of local legal counsel acceptable to legal counsel to the Underwriters as to the qualification of the Offered Units, Unit Shares and Purchase Warrants for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the provinces in which they are qualified to practice, or alternatively, make arrangements to have such opinions directly addressed to the Underwriters and counsel to the Underwriters and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates or correspondence of officers, public and exchange officials or of the auditor or transfer agent of the Corporation), to the effect set forth below:

(a) the Corporation is a corporation validly incorporated and existing under the *Canada Business Corporations Act* and has all requisite corporate power and capacity to carry on business, to own and lease its properties and assets;

(b) the Corporation has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement and the Warrant Indenture and to authorize the creation, execution, issuance and delivery of the Securities and grant the Over-Allotment Option;

(c) as to the authorized and issued capital of the Corporation;

(d) the Purchase Warrants included in the Units and Over-Allotment Warrants having been validly created, authorized and issued by the Corporation and the

certificates representing the Purchase Warrants and Over-Allotment Warrants having been duly executed and delivered by the Corporation;

(e) the Underlying Common Shares having been allotted and reserved for issuance to the holders of the Purchase Warrants, the Over-Allotment Warrants and Broker Warrants and upon the due and proper exercise of the Purchase Warrants, the Over-Allotment Warrants and Broker Warrants in accordance with their respective terms thereof (including payment of the exercise price therefor), the Underlying Common Shares will be validly issued as fully-paid and non-assessable Common Shares of the Corporation;

(f) the Broker Warrants having been validly created, authorized and issued by the Corporation and the certificate representing the Broker Warrants having been duly executed and delivered by the Corporation;

(g) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the Warrant Indenture and the performance of its obligations hereunder and this Agreement and the Warrant Indenture have been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such other standard assumptions, limitations and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agreement may be limited by applicable law;

(h) the execution and delivery of this Agreement and the Warrant Indenture and the fulfilment of the terms hereof and thereof by the Corporation and the issuance, sale and delivery of the Securities and the grant of the Over-Allotment Option, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with the articles and by-laws of the Corporation, any resolutions of the shareholders or directors of the Corporation, or any applicable corporate law or Canadian Securities Laws;

(i) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Prospectus (and any Supplementary Material) and the filing thereof with the Securities Commissions;

(j) upon payment therefor and issuance in accordance with the terms of this Agreement, the Unit Shares will be validly issued as fully paid and non-assessable Common Shares in the capital of the Corporation;

(k) the Over-Allotment Unit Shares have been duly and validly authorized, allotted and reserved for issuance and upon exercise of the Over-Allotment

Option and payment of the consideration therefor, the Over-Allotment Unit Shares will be validly issued as fully paid and non-assessable Common Shares in the capital of the Corporation;

(l) all necessary documents have been filed, all necessary proceedings have been taken and all necessary authorizations, approvals, permits, consents and orders have been obtained under Canadian Securities Laws to permit the Offered Units, the Unit Shares and the Purchase Warrants to be offered, sold and delivered in the Qualifying Jurisdictions by or through investment dealers or brokers duly registered under the applicable Canadian Securities Laws who comply with the relevant provisions of such laws and the terms of such registration and to qualify the grant of the Over-Allotment Option to the Underwriters;

(m) the issuance of the Underlying Common Shares upon the exercise of the Purchase Warrants, the Over-Allotment Warrants or Broker Warrants by the Purchasers or the Underwriters, as the case may be, is exempt from the prospectus requirements of Canadian Securities Laws and no filing, proceeding, approval, consent or authorization is required to be made, taken or obtained under Canadian Securities Laws to permit such issuances;

(n) the Offered Units, the Unit Shares and the Purchase Warrants will, on the Closing Date, be qualified investments under the *Income Tax Act* (Canada) for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and tax free savings accounts;

(o) subject only to the standard listing conditions and the requirements set forth in the conditional approval letters of the TSXV, the Unit Shares, the Over-Allotment Unit Shares and Underlying Common Shares issuable upon exercise of the Purchase Warrants, the Over-Allotment Warrants and Broker Warrants, as applicable, have been conditionally listed or approved for listing on the TSXV; and

(p) to such other matters as may reasonably be requested by the Underwriters no less than 48 hours prior to the Time of Closing,

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

(2) the Underwriters receiving, at the Time of Closing, the favourable legal opinion dated the Closing Date from Perkins Coie LLP, as United States legal counsel to the Corporation, to the effect that registration of the offer and sale of the Offered Units, the Unit Shares and the Purchase Warrants offered and sold in the United States in accordance with this Agreement (including Schedule "B" hereto) will not be required under the U.S. Securities Act, in form and substance satisfactory to the Underwriters and their legal counsel, acting reasonably, with customary exceptions and qualifications;

(3) the Underwriters receiving, at the Time of Closing, favourable legal opinions from legal counsel to the Corporation acceptable to the Lead Underwriter, regarding the Subsidiary in a form acceptable to the Underwriters and their legal counsel, acting reasonably, to the effect set out below:

(a) the Subsidiary having been incorporated and existing under its jurisdiction of incorporation;

(b) the Subsidiary having the corporate power and capacity to own and lease its properties and assets and to conduct its businesses as described in the Prospectus; and

(c) as to the authorized and issued share capital of the Subsidiary, all of which are owned by the Corporation;

(4) the Underwriters having received certificates dated the Closing Date and signed by two senior officers of the Corporation as may be acceptable to the Lead Underwriter, acting reasonably, in form and content satisfactory to the Lead Underwriter, acting reasonably, with respect to:

(a) the constating documents of the Corporation;

(b) the resolutions of the directors of the Corporation relevant to the Offering Documents, the allotment, issue (or reservation for issue) and sale of the Securities, the grant of the Over-Allotment Option and, as applicable, the authorization of this Agreement and the Warrant Indenture and the transactions contemplated herein; and

(c) the incumbency and signatures of signing officers for the Corporation;

(5) the Underwriters receiving certificates of status and/or compliance, where issuable under applicable law, for the Corporation and the Subsidiary, each dated within one (1) Business Day prior to the Closing Date;

(6) the Underwriters receiving, at the Time of Closing, a "bring down" comfort letter dated the Closing Date from the auditors of the Corporation, PricewaterhouseCoopers LLP, in form and substance satisfactory to the Lead Underwriter, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 4(1)(c) hereof;

(7) the Underwriters receiving from the Corporation at the Time of Closing, a certificate dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer or such other senior officer(s) of the Corporation as may be acceptable to the Lead Underwriter, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries, that:

(a) no order, ruling or determination having the effect of suspending the sale or ceasing the trading or prohibiting the sale of the Offered Units or any other securities of the Corporation (including the Common Shares) has been issued

by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority;

(b) since the respective dates as of which information is given in the Prospectus (A) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects or capital of the Corporation on a consolidated basis, and (B) no transaction has been entered into by either the Corporation or the Subsidiary which is material to the Corporation on a consolidated basis, other than as disclosed in the Prospectus or the Supplementary Material, as the case may be;

(c) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Prospectus which fact or change is, or may be, of such a nature as to render any statement in the Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Prospectus or which would result in the Prospectus not complying with applicable Securities Laws;

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

(e) 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 in all material respects as of the Time of Closing as if such representations and warranties were made as at the Time of Closing, after giving effect to the transactions contemplated hereby;

(8) the Underwriters receiving, at the Time of Closing, a certificate from Computershare Investor Services Inc. as to the number of Common Shares issued and outstanding as at the end of business day on the date prior to the Closing Date;

(9) at the Time of Closing, no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Units, Unit Shares or Purchase Warrants or any of the Corporation's issued securities being issued and no proceeding for such purpose being pending or, to the knowledge of the Corporation, threatened by any securities regulatory authority or the TSXV;

(10) the Corporation having delivered to the Underwriters evidence of the approval (or conditional approval) of the listing and posting for trading of the Unit Shares, the Over-Allotment Unit Shares and the Underlying Common Shares on the TSXV, subject only to satisfaction by the Corporation of standard listing conditions;

(11) The Warrant Indenture, at the Time of Closing shall have been executed and delivered by the Company and Computershare Trust Company of Canada in form and substance satisfactory to the Underwriters and their counsel, acting reasonably;

(12) the Corporation complying with all of its covenants and obligations under this Agreement required to be satisfied at or prior to the Time of Closing;

(13) the Underwriters not having exercised any rights of termination set forth herein; and

(14) the Underwriters having received at the Time of Closing such further certificates, opinions of legal counsel and other documentation from the Corporation contemplated herein, provided, however, that the Underwriters or their legal counsel shall request any such certificate or document within a reasonable period prior to the Time of Closing that is sufficient for the Corporation to obtain and deliver such certificate, opinion or document.

Section 11 Closing

(1) *Location of Closing.* The Offering will be completed at the offices of McCarthy Tétrault LLP in Toronto, Ontario at the Time of Closing.

(2) *Securities.* At the Time of Closing, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Underwriters in Toronto, Ontario, the Unit Shares, the Purchase Warrants and the Broker Warrants, in electronic or certificated form, registered as directed by the Lead Underwriter, on behalf of the Underwriters, in writing not less than 48 hours prior to the Time of Closing, against payment to the Corporation by the Lead Underwriter, on behalf of the Underwriters, of the aggregate Offering Price for the Offered Units being issued and sold hereunder by wire transfer or certified cheque, net of the Commission and any expenses of the Underwriters payable by the Corporation as set out in this Agreement.

Section 12 Closing of the Over-Allotment Option

(1) *Closing.* The purchase and sale of the Over-Allotment Units and/or Over-Allotment Warrants, if required, shall be completed at such time and place as the Lead Underwriter and the Corporation may agree, but in no event shall such closing occur less than three (3) Business Days and later than seven (7) Business Days after written notice to purchase Over-Allotment Units and/or Over-Allotment Warrants under the Over-Allotment Option is given in the manner contemplated herein.

(2) *Securities.* At the closing of the Over-Allotment Option, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Underwriters in Toronto, Ontario, the Over-Allotment Unit Shares and/or the Over-Allotment Warrants and the Broker Warrants, in electronic or certificated form, registered as directed by the Lead Underwriter, on behalf of the Underwriters, in writing not less than 48 hours prior to the closing of the Over-Allotment Option, against payment to the Corporation by the Lead Underwriter, on behalf of the Underwriters, of the aggregate Offering Price for the Over-Allotment Units and/or Over-Allotment Warrants being issued and sold by wire transfer or certified cheque, net of the Commission and any expenses of the Underwriters payable by the Corporation as set out in this Agreement.

(3) *Deliveries*. The applicable terms, conditions and provisions of this Agreement (including the provisions of Section 10 relating to closing deliveries) shall apply *mutatis mutandis* to the Closing of the issuance of any Over-Allotment Units and/or Over-Allotment Warrants pursuant to any exercise of the Over-Allotment Option.

(4) *Adjustments*. In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the Offering Price and to the number of Over-Allotment Units and/or Over-Allotment Warrants issuable on exercise thereof such that the Underwriters are entitled to arrange for the sale of the same number and type of securities that the Underwriters would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

Section 13 Indemnification and Contribution

(1) The Corporation hereby agrees to indemnify and hold each of the Underwriters, and/or any of their respective subsidiaries and affiliates (collectively, for purposes of this Section 13, the "**Underwriters**") and each of their respective directors, officers, employees, shareholders and agents (collectively, the "**Personnel**") harmless from and against any and all losses (other than loss of profits), claims, damages, liabilities, costs or expenses, whether joint or several, caused or incurred by reason of or in connection with the performance of professional services rendered to the Corporation by the Underwriters and/or their Personnel pursuant to this Agreement or the transactions contemplated hereby, including, without limitation, the following:

(a) any information or statement (other than a statement contained in and included in reliance upon and in conformity with written information furnished to the Corporation by the Underwriters relating to the Underwriters specifically for use therein) contained in the Prospectus, the U.S. Placement Memorandum, any Supplementary Material or in any certificate or other document of the Corporation or of any officer of the Corporation or its Subsidiary delivered hereunder or pursuant hereto which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation;

(b) any omission or alleged omission to state in contained in the Prospectus, the U.S. Placement Memorandum, any Supplementary Material or any certificate or other document of the Corporation or of any officer of the Corporation delivered hereunder or pursuant hereto any material fact (other than a material fact omitted in reliance upon and in conformity with written information furnished to the Corporation by the Underwriters relating to the Underwriters specifically for use therein) required to be stated therein where such omission or alleged omission constitutes or is alleged to constitute a misrepresentation;

(c) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory authority, stock exchange or by any other competent authority based upon any failure or alleged failure to comply with applicable securities laws (other than any failure or alleged failure to comply by the Underwriters) preventing and restricting the trading in or the sale of the Common Shares in the Qualifying Jurisdictions;

(d) the non-compliance or alleged non-compliance by the Corporation with any requirement of applicable securities laws, including the Corporation's non-compliance with any statutory requirement to make any document available for inspection; or

(e) any breach of any representation, warranty or covenant of the Corporation contained herein or in any certificate or other document of the Corporation or its Subsidiary delivered hereunder or pursuant hereto or the failure of the Corporation to comply with any of their obligations hereunder,

and will reimburse the Underwriters promptly upon demand for any legal or other expenses that may reasonably be incurred by them in connection with investigating or defending any such losses, claims, damages, liabilities or actions in respect thereof, as incurred, provided, however that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(i) the Underwriters or their Personnel have breached this Agreement, breached applicable laws, or have been negligent or dishonest or have committed any fraudulent act or wilful misconduct in the course of the performance of professional services rendered to the Corporation by the Underwriters and/or their Personnel or otherwise in connection with the Offering pursuant to this Agreement; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the breach, negligence, dishonesty, fraud or wilful misconduct referred to in (i) immediately above.

If for any reason (other than the occurrence of any of the events itemized in subsections 1(i) and (ii) above), the foregoing indemnification is unavailable to the Underwriters or their Personnel or insufficient to hold them harmless, then the Corporation shall contribute to the amount paid or payable by the Underwriters or their Personnel 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 Underwriters or their Personnel on the other hand but also the relative fault of the Corporation and the Underwriters or their Personnel, as well as any relevant equitable considerations; provided that the Corporation shall, in any event, contribute to the amount paid or payable by the Underwriters as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the Commission received by the Underwriters pursuant to this Agreement.

(2) The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or the Underwriters 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 Underwriters and any Personnel 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 Underwriters, the Underwriters shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Underwriters 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.

(3) Promptly after receipt of notice of the commencement of any legal proceeding against the Underwriters or any 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 Underwriters will 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 Underwriters except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Corporation would otherwise have under this indemnity had the Underwriters not so delayed in giving or failed to give the notice required hereunder.

(4) The Corporation shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by legal counsel acceptable to the Underwriters. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Underwriters, will keep the Underwriters advised of the progress thereof and will discuss with the Underwriters all significant actions proposed. Notwithstanding the foregoing paragraph, any Underwriter shall have the right, at the Corporation's expense, to employ counsel of such Underwriter's choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (a) the employment of such counsel has been authorized by the Corporation; or (b) 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 (c) counsel retained by the Corporation or the Underwriter(s) has advised the Underwriters that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Underwriters 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 Underwriter's behalf) or that there is a conflict of interest between the Corporation and the Underwriters 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 Underwriters' behalf).

(5) No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the prior written consent of the Underwriters affected and any such settlement, compromise or consent shall include an unconditional release of the Underwriters and the Personnel from all liability arising out of such claim, action, suit or proceeding. 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 prior written consent.

(6) 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 and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation, the Underwriters and any of the Personnel of the Underwriters. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

(7) The indemnity provided by this Section 13 shall not be assignable by any party hereto without the prior written consent of each other party hereto and no waiver, amendment or other modification of this indemnity shall be effective unless in writing and signed by each of the parties hereto.

Section 14 Compensation of the Underwriters

At the Time of Closing, the Corporation shall pay to or as directed by the Lead Underwriter on behalf of the Underwriters, a cash fee (the "**Commission**") equal to 6.0% of the aggregate gross proceeds received from the sale of the Offered Units (including for certainty on any exercise of the Over-Allotment Option) in consideration of the services to be rendered by the Underwriters in connection with the Offering. The Commission will be netted out of the gross proceeds of the Offering. In addition, the Corporation shall issue non-transferrable warrants to the Underwriters (the "**Broker Warrants**") equal to 6.0% of the total number of Unit Shares (including for certainly on any exercise of the Over-Allotment Option) sold by the Corporation pursuant to the Offering, each Broker Warrant entitling the holder to purchase one Underlying Common Share at a price equal to the Offering Price at any time on or before the date which is 18 months after the Closing Date. Notwithstanding the foregoing, the Commission shall be (i) a cash fee equal 3.0% of the aggregate proceeds received from the sale

of the Offered Units in respect of the participation in the Offering of certain pre-identified investors and/or existing shareholders of the Corporation, and (ii) Broker Warrants equal to 3.0% of the number of Unit Shares in respect of the participation in the Offering of certain pre-identified investors and/or existing shareholders of the Corporation, in each case, as agreed upon between the Corporation and the Lead Underwriter. Notwithstanding the foregoing, the Underwriters acknowledge that no Commission is payable and no Broker Warrants will be issued in respect of the Concurrent Private Placement.

Section 15 Expenses

Whether or not the purchase and sale of the Offered Units shall be completed, all costs and expenses of or incidental to the sale and delivery of the Offered Units and of or incidental to all matters in connection with the transactions herein shall be borne by the Corporation and payable by the Corporation immediately upon receiving an invoice from the Underwriters, including, without limitation, all expenses of or incidental to the issue, sale or distribution of the Offered Units, the fees and expenses of the Corporation's legal counsel, auditors and independent experts, all costs incurred in connection with the preparation of documents relating to the Offering, and the reasonable expenses and fees incurred by the Underwriters and applicable taxes thereon, which shall include the reasonable fees and disbursements of the Underwriters' legal counsel fees (to a maximum of $100,000 exclusive of disbursements and taxes). At the option of the Underwriters, such fees and expenses may be netted out of the gross proceeds of the Offering otherwise payable to the Corporation on the Closing Date.

Section 16 All Terms to be Conditions

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

Section 17 Termination by Underwriters in Certain Events

(1) In addition to any other remedies which may be available to the Underwriters, an Underwriter shall be entitled, at its option, to terminate and cancel, without any liability on the Underwriter's part, that Underwriter's obligations under this Agreement if, prior to the Time of Closing:

(a) any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the distribution of the Offered Units, the Unit Shares or the Purchase Warrants is made, or any proceeding is

announced or commenced for the making of any such order, by any securities regulatory authority, any stock exchange or by any other competent authority, and has not been rescinded, revoked or withdrawn;

(b) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is instituted, announced or threatened or any order is issued by any Governmental Authority or otherwise (other than an inquiry, investigation, proceeding or order based upon the activities or alleged activities of the Underwriters or other investment dealers and brokers (other than Maxim), or there is any change of law, or the interpretation or administration thereof, which in the reasonable opinion of the Underwriter operated to prevent or restrict the trading in the Common Shares or the distribution of the Offered Units, the Unit Shares or the Purchase Warrants or which in the reasonable opinion of the Underwriter, acting in good faith, could be expected to have a material adverse effect on the market price or value of the Offered units or Common Shares, by giving the Corporation and, if applicable, the Lead Underwriter written notice to that effect not later than the Time of Closing;

(c) there shall occur any material change in the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospects of the Corporation or its Subsidiary (taken as a whole) or any change in any material fact contained or referred to in the Prospectus or any Supplementary Material, or there shall exist or be discovered by any Underwriter any material fact which is, or may be, of such a nature as to render the Prospectus or any Supplementary Material, untrue, false or misleading in a material respect or result in a misrepresentation (other than a change or fact related solely to the Underwriters or other investment dealers and brokers (other than Maxim)), which in the reasonable opinion of the Underwriter could be expected to have a material adverse effect on the market price or value of the Offered Units or Common Shares, by giving the Corporation and, if applicable, the Lead Underwriter written notice to that effect not later than the Time of Closing; or

(d) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions or any action, law, regulation or inquiry which, in the reasonable opinion of the Underwriter, (i) materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada or the United States either in general, or solely in respect of the biotechnology and healthcare sector, or the business, operations or affairs of the Corporation or its Subsidiary (taken as a whole), or the market price or value of the Offered Units or Common Shares or (ii) results in the Offered Units to not be marketed profitably, by giving the

Corporation and, if applicable, the Lead Underwriter written notice to that effect not later than the Time of Closing.

(2) If this Agreement is terminated by any of the Underwriters pursuant to Section 17(1), there shall be no further liability on the part of such Underwriter or of the Corporation to such Underwriter, except in respect of any liability which may have arisen or may thereafter arise under Section 13 and Section 15.

(3) The right of the Underwriters or any of them to terminate their respective obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under this Section 17 shall not be binding upon the other Underwriters.

Section 18 Obligations of the Underwriters to be Several

(1) Subject to the terms and conditions hereof, the obligation of the Underwriters to purchase the Offered Units shall be several and not joint nor joint and several. The percentage of the Offered Units to be severally purchased and paid for by each of the Underwriters shall be as follows:

Mackie Research Capital Corporation	50%
Maxim Group LLC	40%
Cormark Securities Inc.	10%

Provided, however, that notwithstanding anything to the contrary contained herein and subject to the terms and conditions hereof, Maxim, may offer and sell the Offered Units, the Unit Shares and the Purchase Warrants in the United States to either Qualified Institutional Buyers in accordance with Rule 144A or arrange for Accredited Investors to purchase Offered Units, the Unit Shares and the Purchase Warrants directly from the Corporation as Substituted Purchasers (as defined herein) in accordance with the requirements of Rule 506 of Regulation D, and, in each case, in accordance with applicable state securities laws and the provisions of Schedule B hereto. With respect to Offered Units, the Unit Shares and the Purchase Warrants to be sold in the United States to Qualified Institutional Buyers in compliance with Rule 144A, Maxim or its U.S. Affiliates, shall purchase such Offered Units, the Unit Shares and the Purchase Warrants from the Corporation for resale in compliance with Rule 144A. With respect to Offered Units, the Unit Shares and the Purchase Warrants to be sold in the United States to Accredited Investors in accordance with Rule 506 of Regulation D, although this Agreement is presented on behalf of the Underwriters as purchasers of the Offered Units, the Unit Shares and the Purchase Warrants, all Offered Units, Unit Shares and Purchase Warrants sold to persons in the United States, if any, in accordance with Rule 506 of Regulation D shall be sold directly to such persons as substituted purchasers ("**Substituted Purchasers**") by the Corporation in accordance with Schedule B hereto. To the extent that Accredited Investors purchase Offered Units, Unit Shares and the Purchase Warrants as Substituted Purchasers in accordance with Rule 506 of Regulation D, the obligations of Maxim to purchase Offered Units, Unit Shares and Purchase Warrants shall be reduced by the number of Offered Units, Unit Shares and Purchase

Warrants purchased from the Corporation by such Substituted Purchasers; provided, however, that the fee payable to the Underwriters pursuant to Section 14 hereof shall be payable in respect of any purchases of Offered Units made in accordance with Rule 506 of Regulation D by Substituted Purchasers.

(2) If any of the Underwriters shall not complete the purchase and sale of its applicable percentage of the aggregate amount of the Offered Units at the Time of Closing for any reason whatsoever, including by reason of Section 17 hereof, the other Underwriters shall have the right, but shall not be obligated, to purchase the Offered Units which would otherwise have been purchased by the Underwriter which fails to purchase. If, with respect to the Offered Units, the non-defaulting Underwriters elect not to exercise such rights to assume the entire obligations of the defaulting Underwriter, then the Corporation shall have the right to either: (i) proceed with the sale of the Offered Units (less the defaulted shares) to the non-defaulting Underwriters; or (ii) terminate its obligations hereunder without liability except pursuant to the provisions of Section 13 and Section 15 in respect of the non-defaulting Underwriters.

(3) Nothing in this Agreement shall oblige any U.S. Affiliate of any of the Underwriters to purchase the Offered Units, the Unit Shares or the Purchase Warrants. Any U.S. broker dealer who makes any offers or sales of the Offered Units, the Unit Shares or the Purchase Warrants to persons in the United States will do so solely as an agent for an Underwriter. Additionally, nothing in this Section 18 shall oblige the Corporation to sell to the Underwriters less than all of the Offered Units, the Unit Shares or the Purchase Warrants or shall relieve an Underwriter in default hereunder from liability to the Corporation.

(4) Without affecting the firm obligation of the Underwriters to purchase from the Corporation 9,153,300 Offered Units at the Offering Price in accordance with this Agreement, after the Underwriters have made reasonable effort to sell all of the Offered Units at the Offering Price, the Offering Price may be decreased by the Underwriters and further changed from time to time to an amount not greater than the Offering Price specified herein provided such variations to the Offering Price will be in accordance with applicable Securities Laws and will not decrease the amount of the net proceeds of the Offering to be paid by the Underwriters to the Corporation ($0.95 per Offered Unit), before deducting expenses of the Offering. The Underwriters will inform the Corporation if the Offering Price is decreased.

Section 19 Notices

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered,

(a) in the case of the Corporation, to:

Immunovaccine Inc.
1344 Summer Street, Suite 412
Halifax, Nova Scotia
B3H 0A8

Attention: Chief Financial Officer
Fax: (902) 492-0888

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

McCarthy Tétrault LLP
Le Complexe St-Amable
1150, rue de Claire-Fontaine, 7e étage
Québec City, Québec
G1R 5G4

Attention: Philippe Leclerc
Fax: (418) 521-3099

(b) in the case of the Lead Underwriter, to:

Mackie Research Capital Corporation
199 Bay Street, Suite 4500
Toronto, Ontario M5L 1G2

Attention: Paul Rajchgod
Fax: (416) 860-7674

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

Stikeman Elliott LLP
5300 Commerce Court
199 Bay Street
Toronto, Ontario M5L 1B9

Attention: Martin Langlois
Fax: (416) 947-0866

The Corporation and the Underwriters may change their respective addresses for notices by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, shall be given by telecopy and shall be deemed to have been given when: (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by telecopy on the first business day following the day on which it is sent.

Section 20 Miscellaneous

(a) *Action of Lead Underwriter*. Except with respect to Section 13, Section 17 and Section 18, all transactions and notices on behalf of the Underwriters hereunder or contemplated hereby may be carried out or given on behalf of the Underwriters by the Lead Underwriter. Notwithstanding the foregoing, the Corporation shall be entitled to and shall act on any notice, waiver, extension

or communication given by or on behalf of the Underwriters by the Lead Underwriter, who shall represent the Underwriters, and who shall have the authority to bind the Underwriters in respect of all matters hereunder, except in respect of any settlement under Section 13, any matter referred to in Section 17 or any agreement under Section 18.

(b) *Successors and Assigns*. This Agreement shall enure to the benefit of, and shall be binding upon, the Underwriters and the Corporation and their respective successors and legal representatives.

(c) *Governing Law*. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(d) *Time of the Essence*. Time shall be of the essence hereof and, following any waiver or indulgence by any party, time shall again be of the essence hereof.

(e) *Interpretation*. The words, "hereunder", "hereof" and similar phrases mean and refer to the Agreement formed as a result of the acceptance by the Corporation of this offer by the Underwriters to purchase the Offered Units.

(f) *Survival*. All representations, warranties, covenants and agreements of the Corporation and/or the Underwriters herein contained or contained in documents submitted pursuant to this Agreement and in connection with the transaction of purchase and sale herein contemplated shall survive for a period ending on the date that is two years following the Closing Date. Notwithstanding the preceding sentence, Section 13 shall survive the purchase and sale of the Offered Units and the termination of this Agreement and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as the case may be, regardless of any subsequent disposition of the Offered Units or any investigation by or on behalf of the Underwriters with respect thereto without limitation other than any limitation requirements of applicable law. The Underwriters and the Corporation shall be entitled to rely on the representations and warranties of the Corporation or the Underwriters, as the case may be, contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriters or the Corporation may undertake or which may be undertaken on their behalf.

(g) *Electronic Copies*. Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

(h) *Severability.* If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of

this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

(i) *Counterparts*. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

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

(k) *Market Stabilization Activities*. In connection with the distribution of the Offered Units, the Underwriters (or any of them) may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriters at any time.

(l) *Entire Agreement*. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings in respect of the Offering, including the engagement letter made as of August 25, 2014. This Agreement may be amended or modified in any respect by written instrument only.

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

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

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

Yours very truly,

MACKIE RESEARCH CAPITAL CORPORATION

By: (signed) "*Paul Rajchgod*"

Name: Paul Rajchgod
Title: Managing Director

MAXIM GROUP LLC

By: (signed) "*Clifford A. Teller*"

Name: Clifford A. Teller
Title: Executive Managing Director, Investment Banking

CORMARK SECURITIES INC.

By: (signed) "*Marwan Kubursi*"

Name: Marwan Kubursi
Title: Managing Director

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

IMMUNOVACCINE INC.

By: (signed) "*Marc Mansour*"

Name: Marc Mansour
Title: Chief Executive Officer

SCHEDULE "A"
SUBSIDIARIES

Name	Jurisdiction of Incorporation	Percentage of Issued and Outstanding Shares/Interests Owned	Holder of Issued and Outstanding Shares/Interests
ImmunoVaccine Technologies Inc.	Nova Scotia	100%	Immunovaccine Inc.

SCHEDULE "B"
UNITED STATES OFFERS AND SALES

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

"**affiliate**" means "**affiliate**" as that term is defined in Rule 405 promulgated under the U.S. Securities Act;

"**Dealer Covered Person**" has the meaning set forth below;

"**Directed Selling Efforts**" means directed selling efforts as that term is defined in Rule 902(c) of Regulation S promulgated under the U.S. Securities Act. Without limiting the foregoing, but for greater clarity in this Schedule "B", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Units, Unit Shares or Purchase Warrants and shall include, without limitation, the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of the Offered Units, Unit Shares or Purchase Warrants;

"**Foreign Issuer**" means "foreign issuer" as that term is defined in Rule 902(e) of Regulation S promulgated under the U.S. Securities Act;

"**Disqualification Event**" has the meaning set forth below;

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

"**Offshore Transactions**" means "offshore transactions" as that term is defined in Rule 902(h) of Regulation S promulgated under the U.S. Securities Act;

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

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

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

1. Each Underwriter represents and warrants to the Corporation that:

   (a) it acknowledges that the offer and sale of the Offered Units, Unit Shares or Purchase Warrants has not been and will not be registered under the U.S. Securities Act and the Offered Units, Unit Shares or Purchase Warrants may not be offered or sold within the United States except by (i) the Underwriters

through U.S. Affiliates pursuant to safe-harbour from the registration requirements of the U.S. Securities Act provided by Rule 144A or (ii) by the Corporation pursuant to the safe-harbour from the registration requirements of the U.S. Securities Act provided by Regulation D in a transaction in which the Underwriters through U.S. Affiliates serve solely as placement agents. It has not offered or sold, and will not offer or sell, any of the Offered Units, Unit Shares or Purchase Warrants except (A) in accordance with the requirements of Rule 144A, or (B) in Offshore Transactions in compliance with Rule 903 of Regulation S promulgated under the U.S. Securities Act. Accordingly, except (y) with respect to transactions in which it or its affiliates act solely as placement agents in connection with a sale by the Corporation in reliance on Regulation D or (z) in connection with offers and sales pursuant to Rule 144A or as permitted by Rule 903 of Regulation S promulgated under the U.S. Securities Act, neither it nor its affiliates nor any persons acting on its or their behalf has made or will make (i) any offer to sell Offered Units, Unit Shares or Purchase Warrants to or solicitation of an offer to buy Offered Units, Unit Shares or Purchase Warrants from a person in the United States, or (ii) any sale of Offered Units, Unit Shares or Purchase Warrants unless at the time the purchaser's buy order was or will be originated the purchaser was outside the United States or it, and its affiliates or any persons acting on its or their behalf reasonably believed that the purchaser was outside the United States;

(b) it has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Units, Unit Shares or Purchase Warrants except with its affiliates, any Selling Group members or with the prior written consent of the Corporation;

(c) it shall require each Selling Group member to agree, for the benefit of the Corporation, to comply with, and shall use its reasonable best efforts to ensure that each Selling Group member complies with, the applicable provisions of this Schedule "B" as if such provisions applied to such Selling Group member; and

(d) with respect to Offered Units, Unit Shares or Purchase Warrants to be offered and sold hereunder in reliance on the safe-harbour from the registration requirements of the U.S. Securities Act provided by Rule 506(b) promulgated under the U.S. Securities Act ("**Regulation D Securities**"), none of it, its U.S. Affiliate, any of their respective general partners or managing members, any director or executive officer of any of the foregoing, any other officer of any of the foregoing participating in the offering of the Regulation D Securities, or any other officer or employee of any of the foregoing that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers of Regulation D Securities (each, a "**Dealer Covered Person**", and together with the Dealer Covered Persons associated with the other Underwriters providing a representation to the effect contained in this paragraph, the "**Dealer Covered Persons**") is subject to any of the "Bad Actor" disqualifications provisions described in Rule 506(d) under the U.S. Securities Act (a "**Disqualification Event**"). Neither it nor its U.S. Affiliate has paid or will pay, nor is it aware of

any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons) for solicitation of purchasers of Regulation D Securities.

2. Each Underwriter covenants to and agrees with the Corporation that:

(a) all offers and sales of the Offered Units, Unit Shares or Purchase Warrants in the United States have been and will be effected through one or more of the U.S. Affiliates in accordance with all applicable U.S. broker-dealer requirements;

(b) other than Maxim, each U.S. Affiliate (i) offering Offered Units, Unit Shares or Purchase Warrants to Qualified Institutional Buyers pursuant to Rule 144A is a Qualified Institutional Buyer or (ii) acting as placement agent to Accredited Investors pursuant to Rule 506(b) of Regulation D, as applicable, and each U.S. Affiliate is and on the date of each offer and sale of Offered Units, Unit Shares or Purchase Warrants in the United States was and will be duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements), and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. Maxim is duly registered under Section 15 of the U.S. Exchange Act and applicable state securities laws (unless exempted from the respective state's broker-dealer registration requirements);

(c) it has not and will not, either directly or through a U.S. Affiliate, solicit offers for, or offer to sell, the Offered Units, Unit Shares or Purchase Warrants in the United States by means of any form of General Solicitation or General Advertising and neither it nor its affiliate(s), nor any persons acting on its or their behalf have engaged or will engage in any Directed Selling Efforts with respect to the Offered Units, Unit Shares or Purchase Warrants offered and sold pursuant to Rule 903 of Regulation S promulgated under the U.S. Securities Act;

(d) it will solicit, and will cause each U.S. Affiliate to solicit, offers for the Offered Units, Unit Shares or Purchase Warrants in the United States only from, and will offer the Offered Units, Unit Shares or Purchase Warrants only to, and it and they have offered and solicited only from and to, persons it reasonably believes, and immediately prior to making any such offer, it had reasonable grounds to believe and did believe, to be Qualified Institutional Buyers or Accredited Investors;

(e) it will inform, or cause each U.S. Affiliate to inform, all purchasers of the Offered Units, Unit Shares or Purchase Warrants in the United States that the offer and sale of the Units, Units Shares, Purchase Warrants and the Underlying Common Shares has not been and will not be registered under the U.S. Securities Act and all such securities are being sold to such purchasers without registration under the U.S. Securities Act in reliance upon Rule 144A or Regulation D, as applicable;

(f) it has delivered or will deliver, through a U.S. Affiliate, a copy of the U.S. Private Placement Memorandum which shall include the Prospectus (together, the "**U.S. Offering Documents**") to each person in the United States to which it has offered Offered Units, Unit Shares or Purchase Warrants. Prior to any sale by it of Offered Units, Unit Shares or Purchase Warrants in the United States, it will deliver, through a U.S. Affiliate, a copy of the U.S. Offering Documents to the purchaser of such Offered Units, Unit Shares or Purchase Warrants and no other written material has been or will be used in connection with offers or sales of the Offered Units, Unit Shares or Purchase Warrants in the United States;

(g) it shall cause each U.S. Affiliate to agree, for the benefit of the Corporation, to the same provisions as are contained in paragraphs 1, 2 and 3 of this Schedule 'B";

(h) at least one business day prior to each closing, it shall cause each U.S. Affiliate to provide the Corporation with a list of all purchasers of the Offered Units, Unit Shares or Purchase Warrants in the United States;

(i) at each closing, it and its U.S. Affiliates will either (i) provide a certificate, substantially in the form of Annex 1 to this Schedule 'B", or (ii) be deemed to have represented and warranted to the Corporation as of the closing time that neither it nor they offered or sold any Offered Units, Unit Shares or Purchase Warrants in the United States; and

(j) each U.S. Purchaser of Offered Units, Unit Shares or Purchase Warrants shall execute a U.S. Purchaser's Letter (the "**U.S. Purchaser's Letter**") in the form attached as Exhibit A or Exhibit C to the U.S. Private Placement Memorandum, as applicable.

3. It is understood and agreed by the Underwriters that the sale of the Offered Units, Unit Shares or Purchase Warrants in the United States will be made only by the Underwriters or their respective U.S. Affiliates (A) pursuant to Rule 144A to persons who are, or are reasonably believed by them to be, Qualified Institutional Buyers, or (B) acting as placement agents, pursuant to Rule 506(b) of Regulation D to persons who are, or are reasonably believed by them to be, Accredited Investors, as applicable, in compliance with any applicable state securities laws of the United States, provided that prior to any such sale each purchaser shall have been provided with the U.S. Offering Documents and such purchaser shall execute and deliver to the Underwriters a U.S. Purchaser's Letter.

4. The Corporation represents, warrants, covenants and agrees to and with the Underwriters that:

(a) it is, and at each closing will be, a Foreign Issuer that reasonably believes that there is no Substantial U.S. Market Interest in its Common Shares;

(b) it is not, and after giving effect to the offering and sale of the Offered Units, Unit Shares or Purchase Warrants and the application of the proceeds thereof as

described in the Prospectus, will not be registered or required to register as an "investment company" pursuant to the provisions of the United States Investment Company Act of 1940, as amended;

(c) at the Closing Date, the Offered Units, Unit Shares or Purchase Warrants will not be (A) part of a class listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, (B) quoted in a U.S. automated inter-dealer system, or (C) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted;

(d) for so long as any of the Common Shares, Purchase Warrants or Underlying Common Shares which have been sold in the United States in reliance upon Rule 144A are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) promulgated under the U.S. Securities Act, and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of, or exempt from reporting pursuant to Rule 12g3-2(b) promulgated under, the U.S. Exchange Act, the Corporation will provide to any holder of the Common Shares, Purchase Warrants or Underlying Common Shares in the United States and any prospective purchaser of the Common Shares, Purchase Warrants or Underlying Common Shares designated by such holder in the United States, upon request of such holder or prospective purchaser at or prior to the time of resale, the information required to be delivered pursuant to Rule 144A(d)(4) promulgated under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of the Common Shares, Purchase Warrants or Underlying Common Shares to effect resales under Rule 144A);

(e) none of the Corporation, its affiliates or any persons acting on its or their behalf (other than the Underwriters, their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) (i) has offered or sold or will offer or sell the Offered Units, Unit Shares or Purchase Warrants except through the Underwriters and the U.S. Affiliates in compliance with this Schedule 'B", or (ii) has taken or will take any action that would cause the exemptions or exclusions from registration provided by Rule 903 of Regulation S promulgated under the U.S. Securities Act or Rule 144A to be unavailable with respect to offers and sales of the Offered Units, Unit Shares or Purchase Warrants pursuant to this Schedule 'B";

(f) the Corporation has not sold, offered for sale or solicited any offer to buy, and will not sell, offer for sale or solicit any offer to buy, any of its securities in the United States in a manner that would be integrated with the offer and sale of the Offered Units, Unit Shares or Purchase Warrants and would cause the safe-harbours from registration provided in Rule 144A or Regulation D, as applicable, to become unavailable with respect to offers and sales of the Offered Units, Unit Shares or Purchase Warrants contemplated hereby;

(g) none of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Underwriters, their respective affiliates, or any person acting on any of their behalf, in respect of which no representation is made) (i) has engaged in or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the Offered Units, Unit Shares or Purchase Warrants in the United States; or (ii) has made or will make any Directed Selling Efforts; and

(h) with respect to the Regulation D Securities, none of the Corporation, any of its predecessors, any affiliated issuer of the Corporation, any director or executive officer of the Corporation, any other officer of the Corporation participating in the offering of the Regulation D Securities, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, or any promoter connected with the Corporation in any capacity at the time of sale of the Regulation D Securities is subject to a Disqualification Event. The Corporation has not paid and will not pay, nor is it aware of any person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons) for solicitation of purchasers of Regulation D Securities.

ANNEX 1 TO SCHEDULE "B"
UNDERWRITERS' CERTIFICATE

In connection with the private placement of common shares and common share purchase warrants (the "**Offered Units**") of Immunovaccine Inc. (the "**Corporation**") in the United States, the undersigned, being one of the several Underwriters referred to in the underwriting agreement dated as of ●, 2014, among the Corporation and the Underwriters (the "**Underwriting Agreement**"), and **[in its capacity as placement agent in the United States for such Underwriter (the "U.S. Affiliate")] [Maxim Group LLC ("Maxim")]**, do hereby certify that:

(a) **[the U. S. Affiliate] [Maxim]** is, and was on the date of each offer and sale of Offered Units in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the laws of each state in which such offer or sale was made (unless exempted from the respective state's broker-dealer registration requirements), and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc., and all offers and sales of the Offered Units in the United States have been and will be effected by **[the U.S. Affiliate] [Maxim]** in accordance with all U.S. broker-dealer requirements;

(b) we acknowledge that the offer and sale of the Offered Units has not been registered under the U.S. Securities Act or any applicable state securities laws and the Offered Units may not be offered or sold within the United States except pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws;

(c) neither we nor our representatives have utilized, and neither we nor our representatives will utilize, any form of General Solicitation or General Advertising;

(d) each offeree was provided with the U.S. Offering Documents, we have not used and will not use any written material other than the U.S. Offering Documents and the U.S. Private Placement Memorandum which included the Prospectus, and each U.S. Purchaser of Offered Units has executed a U.S. Purchaser's Letter;

(e) immediately prior to transmitting any of the foregoing materials to offerees, we had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer or an Accredited Investor, and on the date hereof, we continue to believe that each offeree that purchases Offered Units from us as principal is a Qualified Institutional Buyer or an Accredited Investor, as applicable; and

(f) the offering of the Offered Units has been conducted by us in accordance with the Underwriting Agreement.

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

Dated this ____ day of _____, 2014.

[INSERT NAME OF UNDERWRITER]	**[INSERT NAME OF U.S. AFFILIATE] [MAXIM GROUP LLC]**
By: _____	By: _____
Name:	Name:
Title:	Title: