AGENCY AGREEMENT

October 25, 2018

Xebec Adsorption Inc.
730 Boulevard Industriel
Blainville, Québec J7C 3V4

Attention: Mr. Kurt Sorschak
Chairman, President and Chief Executive Officer

Dear Sir:

Re: Public Offering of Units

Beacon Securities Limited (the "**Lead Agent**"), together with Paradigm Capital Inc. (collectively, the "**Agents**"), understand that Xebec Adsorption Inc. (the "**Company**") proposes to issue and sell (the "**Offering**") a minimum of 6,666,666 and a maximum of 10,000,000 units (the "**Units**") in the Company at a price of $0.75 per Unit (the "**Offering Price**") for gross proceeds of a minimum of $5,000,000 and a maximum of $7,500,000. Each Unit shall consist of one common share of the Company (a "**Unit Share**") and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture (as defined herein), one common share of the Company (a "**Warrant Share**") at a price of $1.05 per Warrant Share at any time prior to 5:00 p.m. (Montréal time) on the date that is 18 months following the Closing Date (as defined herein) (the "**Expiry Date**") on the terms and subject to the conditions governing the Warrants as contained in the Warrant Indenture.

The Agents understand that the Company: (i) has prepared and filed a Preliminary Prospectus (as defined herein); (ii) has addressed the comments made by the Securities Commissions (as defined herein) in respect of the Preliminary Prospectus; and (iii) has been cleared by all of the Securities Commissions in the Qualifying Provinces (as defined herein) to file the Final Prospectus (as defined herein). The Company has prepared and will file, concurrently with the execution of this Agreement, the Final Prospectus and all other necessary documents in order to qualify the Units for Distribution (as defined herein) to the public in each of the Qualifying Provinces, grant the Over-Allotment Option (as defined herein) and issue the Compensation Options (as defined herein).

The Company hereby grants to the Agents an over-allotment option (the "**Over-Allotment Option**"), which may be exercised in whole or in part, in the Agents' sole discretion and without obligation, for a period of 30 days from and including the Closing Date (as defined herein), to offer and sell as agents: (i) up to such additional number of Units (the "**Over-Allotment Units**") as is equal to 15% of the number of Units sold under the Offering at the Offering Price per Over-Allotment Unit; (ii) up to such additional number of common shares of the Company (the "**Over-Allotment Shares**") as is equal to 15% of the number of Unit Shares comprising the Units sold under the Offering at a price of $0.74 per Over-Allotment Share; (iii) up to such additional number of Warrants (the "**Over-Allotment Warrants**") as is equal to 15% of the number of Warrants comprising the Units sold under the Offering at a price of $0.02 per Over-Allotment Warrant; or (iv) any combination of Over-Allotment Units and/or Over-Allotment Shares and/or Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Units does not exceed 15% of the aggregate number of Units sold under the Offering, the aggregate number of Over-Allotment Shares does not exceed 15% of the aggregate number of Unit Shares comprising the Units sold under the Offering and the aggregate number of Over-Allotment Warrants does not exceed 15% of the aggregate number of Warrants comprising the Units sold under the Offering, for the purpose of covering the Agents' over-allocation position (as defined herein), if any, and for market stabilization purposes. Unless the context otherwise requires, all references herein to "**Units**", "**Unit Shares**" or "**Warrants**" shall assume the full exercise of the Over-Allotment Option and include the Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants, as applicable, issuable upon exercise thereof and references herein to the "**Offering**" shall include the Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants, as applicable, issued upon exercise of the Over-Allotment Option.

Beacon, on behalf of the Agents, shall notify the Company in writing of their election to exercise the Over-Allotment Option, no later than two Business Days (as defined herein) prior to the proposed Over-Allotment Closing Date (as defined herein) which notice shall specify the number of Over-Allotment Units and/or Over-Allotment Shares and/or Over-Allotment Warrants to be offered and sold by the Agents and the Over-Allotment Closing Date. In the event that the Over-Allotment Option is exercised, all of the terms and conditions relating to the Closing (as defined herein) shall apply to each Over-Allotment Closing (as defined herein) *mutatis mutandis*.

Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act, and upon acceptance hereof the Company hereby appoints the Agents, as the Company's exclusive agents to offer for sale, on a "best efforts" agency basis, without underwriter liability, the Units and to arrange for Purchasers (as defined herein) resident in the Selling Jurisdictions (as defined herein) where the Units may be lawfully offered and sold, provided that any Units offered or sold in any jurisdictions outside of Canada are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of any such jurisdictions, including continuous disclosure obligations. It is understood and agreed that the Agents are under no obligation to purchase any of the Units as principal.

Offers and sales of Units in the United States may only be made in compliance with U.S Securities Laws (as defined herein). The Agents may, through their U.S. Affiliates (as defined herein), if applicable, offer and sell the Units in the United States (as defined herein) to Qualified Institutional Buyers (as defined herein), pursuant to and in accordance with the exemptions from the registration requirements of the U.S. Securities Act (as defined herein).

The Agents acknowledge that none of the Compensation Options or the Option Shares have been registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Compensation Options and the Option Shares, each of the Agents represents, warrants and covenants that: (i) it is acquiring the Compensation Options and Option Shares as principal for its own account and not for the benefit of any other person; (ii) it is not a "U.S. person", as such term is defined in Regulation S (as defined herein), and is not acquiring the Compensation Options in the United States, or on behalf of a U.S. person or a person located in the United States; and (iii) this Agreement was executed and delivered outside the United States. The Agents acknowledge and agree that the Compensation Options may not be exercised in the United States or by or on behalf or for the benefit of a U.S. person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act or the securities laws of any state of the United States. The Agents agree that they will not engage in any "directed selling efforts (as such term is defined in Rule 902(c) of Regulation S) with respect to any Units, and will not offer or sell any Compensation Options or Option Shares in the United States unless in compliance with an exemption or an exclusion from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

The Agents shall be entitled to appoint, at their sole expense, a soliciting dealer group consisting of other registered dealers acceptable to the Company for the purposes of arranging for purchases of the Units. The Agents shall ensure that any investment dealer who is a member of any soliciting dealer group formed by the Agents pursuant to the provisions of this Agreement or with whom any Agent has a contractual relationship with respect to the Offering (a "**Selling Firm**"), if any, agrees with such Agent to comply with the (i) covenants and obligations given and undertaken by the Agents herein; and (ii) Applicable Securities Laws (as defined herein).

In consideration of the Agents' services to be rendered in connection with the Offering, the Company shall pay to the Agents at Closing a cash fee equal to 6.0% of the gross proceeds realized by the Company in respect of the sale of the Units (the "**Commission**").

In addition, as additional consideration of the Agents' services to be rendered in connection with the Offering, the Company shall grant to the Agents at Closing, non-transferable options (the "**Compensation Options**") entitling the Agents to purchase such number of Common Shares (the "**Option Shares**") equal to 6.0% of the total number of Units sold pursuant to the Offering. Each Compensation Option will entitle the holder to acquire during the 18 months following the Closing Date, one Option Share at an exercise price of $0.75 per Option Share. The terms governing the Compensation Options will be set out in the certificates representing the Compensation Options. The certificates representing the Compensation Options will include, among other things, provisions for the appropriate adjustment in the class, number and price of the underlying Option Shares upon exercise of the Compensation Options upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the payment of stock dividends and the amalgamation of the Company.

The obligation of the Company to pay the Commission and to issue the Compensation Options shall arise at the applicable Closing Time against payment for the Units and the Commission and the Compensation Options shall be fully earned by the Agents at that time.

DEFINITIONS

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

"**Act**" means the *Securities Act* (Québec);

"**affiliate**", "**associate**" and "**subsidiary**" have the respective meanings ascribed to such terms under the *Canada Business Corporations Act*;

"**Agreement**" means this agreement between the Company and the Agents, as the same may be amended from time to time;

"**Alternative Business Transaction**" means, as a single transaction or as a series of related transactions: (i) an issuance of equity securities of the Company or securities convertible, exchangeable or exercisable into such securities in the capital of the Company (not including any securities issued pursuant to the Offering), in excess of ten percent (10%) of the total value or number of equity securities currently outstanding in the capital of the Company, but excluding securities issued: (A) in connection with employee stock options granted to directors, officers, employees and consultants of the Company and shares issued upon their exercise, or (B) pursuant to the exercise of convertible securities, options or warrants outstanding at the date hereof or issued pursuant to the Offering, or (ii) a merger, amalgamation, arrangement, reorganization, insider bid or issuer bid of or with respect to the Company's assets, exchange of assets involving the Company or any material Subsidiary of the Company, or any similar transaction;

"**Alternative Transaction Fee**" has the meaning ascribed to such term in Section 20 of this Agreement;

"**AMF**" means the Autorité des marché financiers, as the Company's principal securities regulator;

"**Applicable Securities Laws**" means collectively and as applicable, 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;

"**Audited Financial Statements**" means the audited consolidated financial statements of the Company for the years ended December 31, 2017 and 2016;

"**Best of the Company's Knowledge**" means to the best of the knowledge of the President and Chief Executive Officer or the Chief Financial Officer of the Company after due inquiry;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory or civic holiday in Montréal, Québec or Toronto, Ontario;

"**Canadian Securities Laws**" means collectively, the applicable securities laws in each of the Qualifying Provinces, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments issued by the Securities Commissions in Canada and all applicable rules and policies of the TSXV;

"**Closing**" means the completion of the issue and sale by the Company of the Units, including Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants, if applicable;

"**Closing Date**" means November 7, 2018 or such other date as the Company and the Lead Agent, on behalf of the Agents, may agree in writing;

"**Closing Time**" means 8:00 a.m. (Montréal time) on the Closing Date and on the Over-Allotment Closing Date, as applicable, or such other time on the Closing Date or the Over-Allotment Closing Date as the Company and the Lead Agent, on behalf of the Agents, may agree;

"**Common Shares**" means the common shares of the Company;

"**Company's Auditors**" means such firm of certified professional accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

"**Company's Information Record**" means all information contained in any press release, material change report (excluding any confidential material change report), financial statements, information circulars, annual information forms, business acquisition reports, prospectuses or other document of the Company which has been publicly filed by, or on behalf of, the Company pursuant to Canadian Securities Laws or otherwise by or on behalf of the Company subsequent to January 1, 2017;

"**Control**" has the meaning ascribed to such term under the *Canada Business Corporations Act*;

"**Debt Instrument**" means the 2018 EDC Credit Facility, the 2018 EDC Bonding Facility, the 2016 EDC Credit Facility, the TD Operating Facility, the TD Guarantee Facility, the 2017 Convertible Debentures, the 2016 Convertible Debentures and any other loan, bond, debenture, credit facility, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money, to which the Company or any of its Subsidiaries is a party or by which any of their property or assets are bound;

"**Distribution**" means "distribution" or "distribution to the public" as those terms are defined under Canadian Securities Laws;

"**Documents Incorporated by Reference**" means, in respect of either the Preliminary Prospectus, the Final Prospectus or any Supplementary Material as the case may be, the financial statements, management information circulars, annual information forms, business acquisition reports, marketing materials, material change reports or other documents issued by the Company, whether before or after the date of this Agreement, that are required or deemed to be incorporated by reference into the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be, pursuant to Canadian Securities Laws;

"**Eligible Issuer**" means an issuer which is qualified to file a short-form prospectus under NI 44-101;

"**Employee Plans**" has the meaning ascribed to such term in Section 6(aaa) of this Agreement;

"**Engagement Letter**" means the letter agreement dated October 5, 2018 between the Lead Agent and the Company;

"**Environmental Laws**" has the meaning ascribed to such term in Section 6(mm) of this Agreement;

"**Environmental Permits**" has the meaning ascribed to such term in Section 6(nn) of this Agreement;

"**Final Prospectus**" means the (final) short form prospectus, including all of the Documents Incorporated by Reference, to be prepared and filed by the Company in connection with the Distribution of the Units;

"**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:

(a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or

(b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Governmental Licences**" has the meaning ascribed to such term in Section 6(jj) of this Agreement;

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

"**Indemnifying Party**" has the meaning ascribed to such term in Section 14 of this Agreement;

"**Laws**" means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, judgments, notices and published protocols, codes, guidelines, policies, and directions or other requirements of any Governmental Authorities applicable to the Company or its Subsidiaries;

"**Material Adverse Effect**" means any change, event, violation, inaccuracy, circumstance or effect that, individually or in the aggregate with other changes, events, violations, inaccuracies, circumstances or effects, is or would reasonably be expected to be materially adverse to the business, affairs, operations, assets (including intangible assets), liabilities (contingent or otherwise), capitalization, prospects, condition (financial or otherwise) or results of operations of the Company and its Subsidiaries taken as a whole, except to the extent of that any such change, event, violation, inaccuracy, circumstance or effect is a result of or arose in connection with: (i) any change in regulatory accounting requirements applicable to public companies in Canada; (ii) any change in (A) global, national or regional political conditions (including the outbreak of war or acts of terrorism); (B) general economic, business, regulatory or market conditions; or (C) global or national financial or capital markets; or (iii) any natural disaster;

"**Material Agreement**" means any material contract, commitment, agreement (written or oral), joint venture instrument, lease or other document, including a license agreement, to which the Company or any of its Subsidiaries is a party or by which any of their property or assets are bound;

"**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings given to them under the Act;

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

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

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

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

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

"**over-allocation position**" has the meaning ascribed to such term in NI 41-101;

"**Over-Allotment Closing**" means the closing of the purchase and sale of Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants, pursuant to the exercise of the Over-Allotment Option;

"**Over-Allotment Closing Date**" means the date on which the Over-Allotment Closing occurs;

"**Person**" includes any individual, corporation, limited partnership, general partnership, joint stock company or association, joint venture association, company, trust, bank, trust company, land trust, investment trust, society or other entity, organization, syndicate, whether incorporated or not, trustee, executor or other legal personal representative, and governments and agencies and political subdivisions thereof;

"**Personnel**" has the meaning ascribed to such term in Section 14 of this Agreement;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Company dated October 11, 2018 filed by the Company in connection with the Distribution of the Units, including all of the Documents Incorporated by Reference therein;

"**Premises**" has the meaning ascribed to such term in Section 6(z) of this Agreement;

"**Proprietary Rights**" has the meaning ascribed to such term in Section 6(cc) of this Agreement;

"**Prospectus**" means, collectively, the Preliminary Prospectus and the Final Prospectus;

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

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act;

"**Qualifying Provinces**" means each of the Provinces of Canada;

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

"**SEC**" means the U.S. Securities and Exchange Commission;

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

"**Selling Jurisdictions**" means collectively, the Qualifying Provinces, the United States and any other jurisdictions outside of Canada and the United States as mutually agreed to by the Company and the Lead Agent;

"**Standard Listing Conditions**" has the meaning ascribed to such term in subsection 3(a)(iv) of this Agreement;

"**Subsidiaries**" means Xebec Adsorption USA Inc., Xebec Adsorption Europe SRL and Xebec Adsorption (Shanghai) Co. Ltd.;

"**Supplementary Material**" means, collectively, any amendment to the Prospectus, any amended or supplemental prospectus or ancillary material required to be filed with any of the Securities Commissions in connection with the Distribution of the Units and any Documents Incorporated by Reference and any supplement to any U.S. Private Placement Memorandum;

"**Taxes**" has the meaning ascribed to such term in Section 6(ddd) of this Agreement;

"**TD Guarantee Facility**" means the guarantee facility in the amount of up to $2,750,000, pursuant to an agreement dated April 1, 2016, as amended October 16, 2017, between the Toronto-Dominion Bank of Canada, as lender, Export Development Canada, as guarantor, and the Company, as borrower;

"**TD Operating Facility**" means the demand operating facility in the amount of $750,000, pursuant to a demand operating facility agreement dated May 18, 2015, as amended February 24, 2016, between the Toronto-Dominion Bank of Canada, as lender, Export Development Canada, as guarantor, and the Company, as borrower;

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

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

"**U.S. Affiliate**" of any Agent means the U.S. registered broker-dealer affiliate of such Agent;

"**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 delivered together with the applicable Prospectus to offerees and Purchasers of the Units in the United States or to or for the account or benefit of a U.S. Person or a person in the United States, including any Supplementary Material thereto;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, including the rules and regulations adopted by the SEC thereunder;

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

"**Warrant Indenture**" means the warrant indenture to be dated as of the Closing Date between the Company, as issuer, and AST Trust Company (Canada), as trustee, which creates and contains the terms and conditions governing the Warrants;

"**2016 Convertible Debentures**" means the unsecured convertible debentures in the aggregate principal amount of $1,000,000 issued by the Company on November 30, 2016, which debentures are convertible into Common Shares at a price of $0.15 per share;

"**2016 EDC Credit Facility**" means the credit facility in the amount of $2,000,000, pursuant to a loan agreement dated December 12, 2016 between Export Development Canada, as lender, and the Company, as borrower;

"**2017 Convertible Debentures**" means the unsecured convertible debentures in the aggregate principal amount of $2,024,149 issued by the Company on November 16, 2017, which debentures are convertible into Common Shares at a price of $0.65 per share;

"**2018 EDC Bonding Facility**" means the bonding facility in the amount of up to $12,000,000, pursuant to an agreement dated July 23, 2018 between Export Development Canada, as lender, and the Company, as borrower; and

"**2018 EDC Credit Facility**" means the credit facility in the amount of up to $11,000,000, available in two tranches of up to $2,000,000 and up to $9,000,000, respectively, pursuant to a loan agreement dated July 23, 2018 between Export Development Canada, as lender, and the Company, as borrower.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to "**Sections**", "**subsections**", "**clauses**" or "**paragraphs**" are to the appropriate section, subsection, clause or paragraph of this Agreement.

The following schedule is attached to this Agreement, which schedule is deemed to be a part of this Agreement:

Schedule "A" – Form of Lock-Up Agreement

TERMS AND CONDITIONS

1. Company's Covenants. The Company makes the following covenants to the Agents and acknowledges that the Agents are relying upon such covenants in entering into this Agreement:

(a) The Company will prepare and file the Final Prospectus pursuant to, and in compliance with, NP 11-202 and NI 44-101, and will take all other steps and proceedings that may be necessary to do so, before 5:00 p.m. (Montréal time) on October 25, 2018, and obtain a receipt therefor before 5:00 p.m. (Montréal time) on October 26, 2018 (or such other times or dates as may be agreed to in writing by the Lead Agent, on behalf of the Agents).

(b) The Company hereby agrees, provided the Agents have taken all action required by them hereunder to permit the Company to do so, to use its commercial best efforts to comply with all Applicable Securities Laws on a timely basis in connection with the Offering, including the payment of all filing fees required to be paid in connection therewith. Subject to being notified by the Agents of placements made to purchasers in jurisdictions other than Canada, the Company also agrees to file within the periods stipulated under Applicable Securities Laws and at the Company's expense, all private placement forms required to be filed by them in such jurisdictions in connection with the Offering and agrees to pay all filing fees required to be paid in connection therewith so that the distribution of the Units outside of the Qualifying Provinces may lawfully occur without the necessity of filing a prospectus or any similar disclosure document under Applicable Securities Laws outside of the Qualifying Provinces. The Agents agree to comply, and agree to assist the Company in complying, with all Applicable Securities Laws in connection with the Offering.

(c) The Company covenants that prior to the Closing Time, and at all times until the Closing Time, it will allow the Agents (and their counsel) to conduct all due diligence which the Agents may reasonably require or which may be considered necessary or appropriate by the Agents. The Company will provide the Agents (and their counsel) with reasonable access to the Company's senior management and corporate, financial and other records for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry the Agents (or their counsel) may conduct, the Company shall also make available its directors, senior management, auditors and legal counsel to answer any questions which the Agents may have and to participate in one or more due diligence sessions to be held prior to Closing and prior to filing each of the Preliminary Prospectus and the Final Prospectus.

(d) The Company covenants to use its commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in Section 8 hereof.

(e) The Company covenants to use its commercial best efforts to obtain the necessary approval of the TSXV for the listing of the Unit Shares, the Warrant Shares and the Option Shares on such conditions as are acceptable to the Agents and the Company, acting reasonably.

(f) The Company covenants to fulfill all legal requirements to permit the creation, issuance, offering and sale of the Unit Shares and the Warrants comprising the Units, the issuance of the Warrant Shares upon the exercise of the Warrants, the granting of the Compensation Options and the issuance of the Option Shares upon the exercise thereof, all as contemplated in this Agreement and file or cause to be filed all documents, applications, forms or undertakings required to be filed by the Company and take or cause to be taken all action required to be taken by the Company in connection with the issuance and sale of the Unit Shares and Warrants comprising the Units, the issuance of the Warrant Shares upon the exercise of the Warrants, and the granting of the Compensation Options and the issuance of the Option Shares upon the exercise thereof.

(g) Until the date of the completion of the Distribution of the Units, the Company covenants to use its commercial best efforts to ensure the Offering Documents comply at all times with Applicable Securities Laws.

(h) During the period from the date hereof until the completion of the Distribution of the Units, the Company covenants to promptly inform the Agents of the full particulars of any request of any Securities Commission for any information, or the receipt by the Company of any communication from any Securities Commission or any other competent authority relating to the Company or which may be relevant to the Distribution of the Units.

(i) The Company covenants to apply the net proceeds from the Offering as set forth in the Final Prospectus.

(j) The Company covenants to advise the Agents, promptly after receiving notice thereof, of the filing of the Final Prospectus and any Supplementary Material and to provide copies of the applicable receipts when obtained pursuant to NP 11-202.

(k) The Company covenants to advise the Agents, promptly after receiving notice or obtaining knowledge thereof, of:

  (i) the issuance by any Securities Commission of any order suspending or preventing the use of any of the Offering Documents or the institution, threatening or contemplation of any proceeding for any such purposes;

  (ii) any order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) issued by any Securities Commission or the institution, threatening or contemplation of any proceeding for any such purposes; or

  (iii) any requests made by any Securities Commissions to amend or supplement any of the Offering Documents or for additional information, and

to use its commercial best efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.

(l) Except to the extent the Company participates in a merger, arrangement or other business combination transaction which is determined by the board of directors of the Company to be in the best interest of the Company and following which the Company ceases to be a "reporting issuer", the Company covenants to use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws of each of the Qualifying Provinces which have such a concept to the date which is two years following the Closing Date.

(m) Except to the extent the Company participates in a merger, arrangement or other business combination transaction which is determined by the board of directors of the Company to be in the best interest of the Company and following which the Company ceases to be listed on the TSXV, the Company covenants to use its commercially reasonable efforts to maintain the listing of the Common Shares on the TSXV or such other recognized stock exchange or quotation system to the date that is two years following the Closing Date so long as the Company meets the minimum listing requirements of the TSXV or such other exchange or quotation system.

(n) The Company shall allow the Agents to participate in the preparation of the Offering Documents that the Company is required to file under Canadian Securities Laws or will otherwise use relating to the Offering.

(o) The Company covenants to deliver to the Agents, without charge, contemporaneously with, or prior to the filing of, the Preliminary Prospectus and the Final Prospectus, unless otherwise indicated, a copy of any document filed with, or delivered to, the Securities Commissions by the Company under Canadian Securities Laws with such prospectus.

2. Agents' Representations, Warranties and Covenants.

(a) Each Agent severally, and neither jointly, nor jointly and severally, covenants with the Company that it will (and will use its commercially reasonable efforts to cause any Selling Firm to):

(i) conduct activities in connection with arranging for the sale and distribution of the Units in compliance with all Applicable Securities Laws, the Prospectus and the provisions of this Agreement;

(ii) offer for sale and sell the Units to or for the account or benefit of a Person in the United States through their duly-registered U.S. Affiliate(s), if applicable, pursuant to applicable exemptions from the registration requirements of and in accordance with the registration and qualification requirements of applicable U.S. Securities Laws, and, if previously agreed to by the Company and the Agents, in other international Selling Jurisdictions, in accordance with Applicable Securities Laws in such other international Selling Jurisdictions and on a private placement basis. Any offer for sale or sale of the Units to or for the account or benefit of a Person in the United States will be made solely pursuant to the U.S. Private Placement Memorandum and in accordance with U.S. Securities Laws;

(iii) not, directly or indirectly, sell or solicit offers to purchase the Units or distribute or publish any offering circular, prospectus, form of application, advertisement or other offering materials in any country or jurisdiction so as to require registration or filing of a prospectus with respect thereto or compliance by the Company with regulatory requirements (including any continuous disclosure obligations) under the Laws of, or subject the Company (or any of its directors, officers or employees) to any inquiry, investigation or proceeding of any securities regulatory authority, stock exchange or other authority in, any jurisdiction other than the Qualifying Provinces as contemplated by this Agreement; and

(iv) use all commercially reasonable efforts to complete and to cause any Selling Firm to complete the distribution of the Units as soon as practicable.

(b) The Lead Agent, on behalf of the Agents, shall notify the Company when, in its opinion, the Agents and the Selling Firms have ceased Distribution of the Units and provide a breakdown of the number of Units distributed and proceeds received therefrom as required by the Company to comply with Canadian Securities Laws.

(c) Notwithstanding the foregoing provisions of this Section 2, an Agent will not be liable to the Company under this Section 2 with respect to a default under this Section 2 by another Agent, or by another Agent's U.S. Affiliate or Selling Firm. No Agent will be liable for any act or omission of any other Agent or by another Agent's U.S. Affiliate or Selling Firm.

(d) Each Agent represents and warrants to, and covenants with, the Company that at least one of the Agents is duly registered under the Canadian Securities Laws in each of the Qualifying Provinces.

3. Deliveries on Filing and Related Matters.

(a) The Company shall deliver, or cause to be delivered, to each of the Agents:

(i) a copy of the Preliminary Prospectus and, prior to the filing of the Final Prospectus with the Securities Commissions in the Qualifying Provinces, a copy of the Final Prospectus signed by the Company as required by Canadian Securities Laws and, if applicable, a copy of the U.S. Private Placement Memorandum;

(ii) prior to the filing of any Supplementary Material with the Securities Commissions in the Qualifying Provinces, a copy of such Supplementary Material required to be filed by the Company in compliance with Canadian Securities Laws;

(iii) concurrently with the filing of the Final Prospectus with the Securities Commissions in the Qualifying Provinces, a "long form" comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents from the Company's Auditors with respect to financial and accounting information relating to the Company contained in the Final Prospectus and all Documents Incorporated by Reference, which letter shall be based on a review by the Company's Auditors within a cut-off date of not more than two Business Days prior to the date of the letter, which letter shall be in addition to the auditors' consent letter addressed to the Securities Commissions in the Qualifying Provinces; and

(iv) prior to the filing of the Final Prospectus with the Securities Commissions in the Qualifying Provinces, copies of correspondence from the TSXV indicating that the application for the listing and posting for trading on the TSXV of the Unit Shares, the Warrant Shares and the Option Shares has been approved subject only to satisfaction by the Company of certain standard post-closing conditions imposed by the TSXV as set out in its conditional approval letter (the "**Standard Listing Conditions**").

(b) The Company shall prepare and deliver promptly to the Agents signed copies of all Supplementary Material.

(c) Delivery of the Offering Documents by the Company shall constitute the representation and warranty of the Company to the Agents that, as at their respective dates of filing:

(i) all information and statements (except information and statements relating solely to the Agents and provided in writing by the Agents or its counsel) contained in the Offering Documents 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 Company and the Units; and

(ii) except with respect to any information relating solely to the Agents and provided in writing by the Agents or its counsel, such documents comply in all material respects with the requirements of Canadian Securities Laws and U.S. Securities Laws.

Such deliveries shall also constitute the Company's consent to the Agents' use of the Offering Documents in connection with the Distribution of the Units in the Selling Jurisdictions in compliance with this Agreement and Applicable Securities Laws unless otherwise advised in writing.

(d) The Company shall cause commercial copies of the Offering Documents, as applicable, to be delivered to the Agents without charge, in such numbers and in such locations as the Agents may reasonably request by written instructions to the Company's financial printer given forthwith after the Agents have been advised that the Company has complied with Applicable Securities Laws in the Selling Jurisdictions. Such delivery shall be effected as soon as possible and, in any event, no later than noon (local time) on the date which is one Business Day after the date the AMF has issued a receipt in accordance with NP 11-202 in respect of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as applicable.

(e) The Company agrees that from the date hereof to the Closing Date, it shall obtain prior approval of the Agents as to the content and form of any press release or other public disclosure document prior to issuance, such approval not to be unreasonably withheld. In addition, any press release announcing or otherwise referring to the Offering disseminated in the United States shall comply with the requirements of Rule 135c 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 substantially as follows: "***Not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States or the District of Columbia), or any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.*** This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Units under the Offering in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The Units offered under the Offering have not been and will not be registered under the United States Securities Act of 1933 and accordingly will not be offered, sold or delivered, directly or indirectly, within the United States, its possessions and other areas subject to its jurisdiction, except pursuant to applicable exemptions from the registration requirements."

4. Marketing Materials.

(a) During the Distribution of the Units, and, if applicable, the Over-Allotment Units, the Over-Allotment Shares and the Over-Allotment Warrants, the Company and the Lead Agent, on behalf of the Agents, shall approve in writing (prior to such time that marketing materials are provided to potential investors) any marketing materials reasonably requested to be provided by the Agents to any potential investor of Units, and, if applicable, Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants, such marketing materials to comply with Canadian Securities Laws in the Qualifying Provinces. The Company shall file a template version of such marketing materials with the applicable Securities Commission in the Qualifying Provinces as soon as reasonably practicable after such marketing materials are so approved in writing by the Company and the Lead Agent, on behalf of the Agents, and in any event on or before the day the marketing materials are first provided to any potential investor of Units, or, if applicable, Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants, and such filing shall constitute the Agents' authority to use such marketing materials in connection with the Offering;

(b) the Company and each of the Agents, on a several basis, covenant and agree:

(i) not to provide any potential investor of Units, and, if applicable, Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants, with any marketing materials unless a template version of such marketing materials has been filed by the Company with the applicable Securities Commission in the Qualifying Provinces on or before the day such marketing materials are first provided to any potential investor of Units, or, if applicable, Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants;

(ii) not to provide any potential investor with any materials or information in relation to the distribution of the Units, and, if applicable, the Over-Allotment Units, the Over-Allotment Shares or the Over-Allotment Warrants, or the Company other than (A) such marketing materials that have been approved and filed in accordance with Section 4(a), (B) the Offering Documents, and (C) any standard term sheets approved in writing by the Company and the Lead Agent; and

(iii) that any marketing materials approved and filed in accordance with Section 4(a) and any standard term sheets approved in writing by the Company and the Lead Agent, shall only be provided to potential investors in the Selling Jurisdictions.

5. Material Changes.

(a) During the period of the Distribution of the Units, the Company shall promptly inform the Agents (and if requested by the Agents, confirm such notification in writing) of the full particulars of:

(i) any material change (actual, anticipated, contemplated or threatened) in the assets, liabilities (contingent or otherwise), business, affairs, operations, capital, prospects or condition (financial or otherwise) of the Company;

(ii) any material fact (other than any fact relating solely to the Agents) which has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such documents;

(iii) any change in any material fact (other than any fact relating solely to the Agents) contained in any of the Offering Documents;

(iv) the occurrence of any event or state of facts which, is, or may be, of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, or which would result in the Final Prospectus or any Supplementary Material not complying (to the extent that such compliance is required) with Canadian Securities Laws;

(v) any breach or potential breach of any of the representations and warranties in Subsection 3(c) hereof; and

(vi) any material breach or potential material breach of any of the representations and warranties in Section 6 hereof.

(b) The Company covenants to comply with Canadian Securities Laws, and the Company will prepare and file promptly any Supplementary Material which may be necessary and will otherwise comply with all legal requirements necessary to continue to qualify the Distribution of the Units in each of the Qualifying Provinces as contemplated herein.

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

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

6. Representations and Warranties of the Company. The Company represents and warrants to the Agents that each of the following representations and warranties is true and correct on the date of this Agreement and acknowledges that the Agents are relying upon such representations and warranties in entering into this Agreement:

(a) the Company and each Subsidiary has been duly incorporated, amalgamated or organized and is validly existing under the Laws of the jurisdiction in which it was incorporated, amalgamated or organized, as the case may be, has all requisite corporate power and authority and is duly qualified to carry on its business as now conducted and to own, lease or operate its properties and assets and no steps or proceedings have been taken by the Company or by any Person, voluntary or otherwise, requiring or authorizing its dissolution, liquidation or winding-up;

(b) the Company has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;

(c) this Agreement has been duly authorized, executed and delivered by the Company and upon such execution and delivery by the Company constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law;

(d) the Company has no subsidiaries other than the Subsidiaries nor any investment or proposed investment in any Person which, for the financial year ended December 31, 2017 accounted for or which, for the financial year ending December 31, 2018, is expected to account for, more than five percent of the consolidated assets or consolidated revenue of the Company or would otherwise be material to the business and affairs of the Company (on a consolidated basis);

(e) there are no outstanding obligations, liabilities or claims against any Subsidiary that could reasonably be expected to result in a Material Adverse Effect;

(f) other than Xebec Adsorption (Shanghai) Co. Ltd., in respect of which the Company owns, directly or indirectly, 70% of the issued and outstanding shares and has the obligation to repurchase the remaining 30% of the issued and outstanding shares under certain circumstances, the Company owns, directly or indirectly, all of the issued and outstanding shares of each Subsidiary, all of which shares are issued as fully paid and non-assessable, are free and clear of all mortgages, hypothecs, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Company or any Subsidiary of any interest in any of the shares in the capital of any Subsidiary;

(g) the Company is a reporting issuer not in default under the applicable Canadian Securities Laws of each of the Qualifying Provinces;

(h) all consents, approvals, permits, authorizations or filings as may be required of the Company under Applicable Securities Laws necessary for the execution and delivery of this Agreement, the Warrant Indenture and the certificate(s) representing the Warrants, and the certificate(s) representing the Compensation Options, the issuance and sale of the Unit Shares and Warrants comprising the Units, the issuance of the Warrant Shares upon exercise of the Warrants, the granting of the Compensation Options and issuance of the Option Shares upon exercise thereof and the consummation of the transactions contemplated by this Agreement, the Warrant Indenture and the certificate(s) representing the Warrants, and the certificate(s) representing the Compensation Options have been made or obtained, as applicable, or will be made or obtained prior to the Closing Time, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Applicable Securities Laws;

(i) the Company has taken all necessary corporate action to authorize and approve the issuance and sale of the Units, and, as applicable, the delivery of certificates evidencing the Unit Shares and the Warrants comprising the Units. The Unit Shares have been authorized and reserved for issuance and, upon payment of the requisite consideration therefor, the Unit Shares will, when issued, be validly issued as fully paid and non-assessable Common Shares of the Company;

(j) the Company has taken all necessary corporate action to authorize and approve the issuance of the Warrant Shares issuable upon the due exercise of the Warrants. The Warrant Shares have been authorized and reserved for issuance and, upon payment in full of the applicable exercise price therefor in accordance with the terms of the Warrants, the Warrant Shares will, when issued, be validly issued as fully paid and non-assessable Common Shares of the Company;

(k) the Company has taken all necessary corporate action to authorize and approve the granting of the Compensation Options and the issuance of the Option Shares issuable upon the due exercise of the Compensation Options. The Option Shares have been authorized and reserved for issuance and, upon payment in full of the applicable exercise price therefor in accordance with the terms of the Compensation Options, the Option Shares will, when issued, be validly issued as fully paid and non-assessable Common Shares of the Company;

(l) the Warrants have or, prior to the Closing Time, will have the attributes set out in the Warrant Indenture and the certificate(s) representing the Warrants, which are accurately described in the Prospectus;

(m) the Compensation Options have, or prior to the Closing Time, will have the attributes set out in the certificate(s) representing the Compensation Options which are accurately described in the Prospectus;

(n) each of the execution and delivery of this Agreement, the Warrant Indenture and the certificate(s) representing the Warrants, and the certificates representing the Compensation Options, and the performance by the Company of its obligations hereunder and thereunder, including the issue and sale of the Unit Shares and Warrants comprising the Units, the issuance of the Warrant Shares upon exercise of the Warrants, and the grant of the Compensation Options and the issuance of the Option Shares upon exercise thereof, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both): (i) any statute, rule or regulation in effect at the date hereof applicable to the Company including, without limitation, the Canadian Securities Laws; (ii) the articles, by-laws or resolutions of the directors and the shareholders of the Company which are in effect at the date hereof; (iii) any Material Agreement, any Debt Instrument, or any other indenture, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound; or (iv) any judgment, decree or order binding the Company or the property or assets of the Company;

(o) the Company is in compliance with the timely and continuous disclosure obligations under the Canadian Securities Laws and, without limiting the generality of the foregoing, there has not occurred any adverse material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, affairs, operations, capital, prospects or condition (financial or otherwise) of the Company since January 1, 2017, which has not been publicly disclosed on a non-confidential basis and all the statements set forth in the Company's Information Record are true, correct, and complete in all material respects and do not contain any misrepresentation as of the date of such statements and the Company has not filed any confidential material change reports since the date of such statements;

(p) since January 1, 2017, except as disclosed in the Company's Information Record, the Company has not approved, entered into any agreement in respect of, and does not have any knowledge of:

(i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company or any Subsidiary whether by asset sale, transfer of securities or otherwise;

(ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Company or any Subsidiary or otherwise) of the Company or any Subsidiary; or

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

(q) the Audited Financial Statements incorporated by reference in the Prospectus have been prepared in accordance with International Financial Reporting Standards, applied on a basis consistent with prior periods (other than in respect of the adoption of International Financial Reporting Standards as described in the Audited Financial Statements), and present fairly the financial position and condition of the Company and the Subsidiaries, taken as a whole, as at the dates thereof and for the periods indicated and reflect all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company and the Subsidiaries and the results of their operations and the changes in their financial position for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Company and there has been no material change in the accounting policies or practices of the Company since January 1, 2017;

(r) the Company's Auditors are independent public accountants as required under Canadian Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Company and the Company's Auditors;

(s) except as disclosed in the Prospectus, no person has any agreement, option, right or privilege (whether at law, pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for, issue of, or conversion into any of the unissued shares or other securities or convertible obligations of any nature of the Company other than pursuant to the provisions of this Agreement;

(t) there is no agreement in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Company or any Subsidiary;

(u) no legal or governmental proceedings are pending or, to the Best of the Company's Knowledge, threatened to which the Company or any Subsidiary is a party or to which its property or assets is subject that could or would result in the revocation or modification of any certificate, authority, permit or license necessary to conduct the business now owned or operated by the Company or any Subsidiary which, if the subject of an unfavourable decision, ruling or finding would have a Material Adverse Effect;

(v) neither the Company nor any Subsidiary is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, debenture, credit facility, trust deed, mortgage, loan agreement, note, option, lease or other agreement or instrument to which it is a party or by which it or its property may be bound that could reasonably be expected to result in a Material Adverse Effect;

(w) any and all of the agreements and other documents and instruments pursuant to which the Company or any Subsidiary holds its property and assets are valid and subsisting agreements, documents or instruments in full force and effect, enforceable against the Company or the Subsidiaries, as applicable, in accordance with the terms thereof, neither the Company nor any Subsidiary is in default of any of the provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licences and claims pursuant to which the Company or any Subsidiary derives its interests in such property and assets are in good standing and there has been no default under any such lease, licence or claim that could reasonably be expected to result in a Material Adverse Effect;

(x) no counterparty to any obligation, agreement, covenant or condition contained in any contract or other instrument to which the Company or any Subsidiary is a party is in default in the performance or observance thereof that could reasonably be expected to result in a Material Adverse Effect;

(y) neither the Company nor the Subsidiaries are party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company or the Subsidiaries to compete in any line of business, transfer or move any of their assets or operations or which materially or adversely affects the business practices, operations or condition of the Company or the Subsidiaries;

(z) with respect to each premises of the Company or any Subsidiary which is material to the Company and the Subsidiaries on a consolidated basis and which the Company or any Subsidiary occupies as tenant (the "**Premises**"), the Company or a Subsidiary, as applicable, occupies the Premises and has the exclusive right to occupy and use the Premises and each of the leases pursuant to which the Company and/or any Subsidiary, as applicable, occupies the Premises is in good standing and in full force and effect;

(aa) except as disclosed in the Prospectus, the Company or a Subsidiary, as applicable, is, the owner or authorized licensee or sub-licensee of all the intellectual property necessary to conduct the business of the Company and each Subsidiary, respectively, as such business is currently conducted and proposed to be conducted;

(bb) to the Best of the Company's Knowledge, there has been no claim of any infringement or breach by any of the Company or its Subsidiaries of any industrial, patent or intellectual property rights of any other Person, nor has any of the Company or its Subsidiaries received any notice, nor is the Company otherwise aware, that the use of the business names, trademarks, service marks and industrial, patent or copyright or other intellectual property of any of the foregoing infringes upon or breaches any industrial, patent, copyright or other intellectual property rights of any other Person and the Company has no knowledge of any infringement or violation of any of their respective rights or the rights of any of the Company or its Subsidiaries in such industrial, patent, copyright and other intellectual property and the Company is not aware of any state of facts which casts doubt on the validity or enforceability of any of such industrial, patent, copyright or other intellectual property rights;

(cc) the Company and its Subsidiaries own or possess adequate enforceable rights to use all material patents, patent applications, trademarks, service marks, copyrights, trade secrets, processes or formulations used or proposed to be used in the conduct of their respective businesses (collectively, the "**Proprietary Rights**") and, to the Best of the Company's Knowledge, none of the Company or its Subsidiaries is infringing upon the rights of others with respect to its respective Proprietary Rights and no others have infringed such Proprietary Rights;

(dd) neither the marketing, licence, distribution, sale or use of any product or service currently marketed, licensed, distributed, sold or used by the Company violates any license or agreement of the Company with any Person, which violation or the consequences thereof would alone or in the aggregate have a Material Adverse Effect or, without independent investigation or enquiry, infringes upon the industrial or intellectual property rights of any other Person, whether common law or statutory, including rights relating to defamation, rights of privacy or publicity and contractual rights;

(ee) to the Best of the Company's Knowledge, the conduct of the business of the Company or of any Subsidiary has not infringed, violated, misappropriated or otherwise conflicted with any material intellectual property right of any Person;

(ff) neither the Company nor any Subsidiary is a party to any action or proceeding, nor, to the Best of the Company's Knowledge, is or has any action or proceeding been threatened that alleges that any current or proposed conduct of their respective businesses have or will infringe, violate or misappropriate or otherwise conflict with any material intellectual property right of any Person;

(gg) the Company and each of the Subsidiaries have taken reasonable precautions and taken reasonable measures to protect and preserve the security and confidentiality of their trade secrets and other confidential information, and, to the Best of the Company's Knowledge, none of the trade secrets or other confidential information of the Company or any Subsidiary are part of the public domain or knowledge, nor have any trade secrets or confidential information been misappropriated by any Person having an obligation to maintain such trade secrets or other confidential information in confidence for the Company or any Subsidiary;

(hh) the Company and each of the Subsidiaries has conducted and is conducting its business in material compliance with all applicable Laws of each jurisdiction in which it carries on business and has not received a notice of non-compliance, and does not know of, or have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Laws;

(ii) neither the Company nor any of the Subsidiaries have ever been in violation of, in connection with the ownership, use, maintenance or operation of its property and assets, any applicable Laws, permits, licences, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters which violations have a Material Adverse Effect;

(jj) the Company and each of its Subsidiaries possesses such permits, licences, approvals, consents and other authorizations issued by Governmental Authorities (collectively, "**Governmental Licences**") necessary to conduct the business now operated by it, except where such Governmental Licences are not capable of being applied for or where the failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect and all such Governmental Licences are valid and existing and in good standing. Each of the Company and its Subsidiaries is in compliance with the terms and conditions of all such Governmental Licences, except where the failure to so comply would not, individually or in the aggregate, have a Material Adverse Effect;

(kk) except as disclosed in the Prospectus, the Company, either directly or through one of the Subsidiaries, is the absolute legal and beneficial owner of, and has good and marketable title to, or leasehold interest in, all of the material property or assets, including vehicles, equipment, licenses, leases or other instruments or agreements granting legal rights to act as owners conferring the rights in respect of the material property or assets thereof as described in the Prospectus, free of all mortgages, hypothecs, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and no other rights are necessary for the conduct of the business of the Company and its Subsidiaries as currently conducted or contemplated to be conducted; the Company knows of no claim or basis for any claim, or, to the Best of the Company's Knowledge, any threatened claim that might or could materially adversely affect the right of the Company or any Subsidiary to use, transfer or otherwise exploit such property or assets; and the Company and the Subsidiaries have no responsibility or obligation to pay any amounts to any Person with respect to the property rights thereof;

(ll) the Company's tangible assets are generally in good operating condition and repair, normal wear and tear excepted, and such assets (other than a de minimus amount that would not result in a Material Adverse Effect) are not in need of maintenance or repairs, except for ordinary, routine maintenance and repairs that are not material in nature or cost;

(mm) the Company and each of the Subsidiaries are in material compliance with all Environmental Permits (as defined herein), all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including laws, ordinances, regulations or orders, relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances (the "**Environmental Laws**");

(nn) the Company and each of the Subsidiaries have obtained or are in the process of obtaining all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the "**Environmental Permits**") necessary as at the date hereof for the operation of the business carried on or proposed to be commenced by the Company and the Subsidiaries, and each Environmental Permit is valid, subsisting and in good standing and neither the Company nor the Subsidiaries are in material default or breach of any Environmental Permit and no proceeding is pending, or to the Best of the Company's Knowledge, threatened to revoke or limit any Environmental Permit;

(oo) neither the Company nor any of the Subsidiaries have used, except in material compliance with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases, or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance;

(pp) neither the Company nor any of the Subsidiaries have received any notice of, or been prosecuted for an offence alleging, non-compliance with any laws, ordinances, regulations and orders, including Environmental Laws, and neither the Company nor the Subsidiaries have settled any allegation of non-compliance short of prosecution. To the Best of the Company's Knowledge, there are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Company or the Subsidiaries, nor has the Company or any of the Subsidiaries received notice of any of the same;

(qq) there have been no past unresolved, pending or, to the Best of the Company's Knowledge, threatened claims, complaints, notices or requests for information received by the Company or the Subsidiaries with respect to any alleged material violation of any law, statute, order, regulation, ordinance or decree; and no conditions exist at, on or under any property now owned, operated or leased by the Company or the Subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or may reasonably be expected to have any Material Adverse Effect;

(rr) except as ordinarily or customarily required by applicable permit, neither the Company nor any of the Subsidiaries have received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under any Law, including any Environmental Laws. The Company has not received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites;

(ss) AST Trust Company (Canada), at its principal office in Montreal, Québec, has been duly appointed as the registrar and transfer agent in respect of the Common Shares;

(tt) the Common Shares are listed and posted for trading on the TSXV;

(uu) neither the Company nor its Subsidiaries 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 and the Company is currently in material compliance with the rules and regulations of the TSXV;

(vv) there are no actions, suits, judgments, investigations, inquiries or proceedings of any kind whatsoever outstanding (whether or not purportedly on behalf of the Company or any Subsidiary), pending or, to the Best of the Company's Knowledge, threatened against or affecting the Company or the Subsidiaries at Law or in equity or before or by any Governmental Authorities of any kind whatsoever and, to the Best of the Company's Knowledge, there is no basis therefor and neither the Company nor any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority which, either separately or in the aggregate, could reasonably be expected to result in a Material Adverse Effect or would adversely affect the ability of the Company to perform its obligations under this Agreement;

(ww) as at October 24, 2018, the authorized capital of the Company consists of an unlimited number of Common Shares, of which 47,578,304 Common Shares are issued and outstanding as fully paid and non-assessable, and an unlimited number of preferred shares, of which no preferred shares are issued and outstanding;

(xx) none of the directors, officers or employees of the Company or of any Subsidiary, nor any Person who owns, directly or indirectly, more than 10% of any class of securities of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction or any proposed transaction with the Company or any Subsidiary which materially affects, is material to or will materially affect the Company on a consolidated basis;

(yy) the Company and each of the Subsidiaries is in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice;

(zz) no labour disturbance by or dispute with employees of the Company or any of its Subsidiaries exists or is contemplated or, to the Best of the Company's Knowledge, threatened, and the Company is not aware of any existing or imminent labour disturbance by, or dispute with, the employees of any of its or its Subsidiaries' principal suppliers, contractors or customers, except as would not have a Material Adverse Effect;

(aaa) each plan for retirement, bonus, share 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 Company and its Subsidiaries for the benefit of any current or former director, officer, employee or consultant of the Company and its Subsidiaries (the "**Employee Plans**") has been maintained in material compliance with its terms and with the requirements prescribed by any Laws that are applicable to such Employee Plans, in each case in all material respects and has been publicly disclosed to the extent required by Canadian Securities Laws. None of the Company and its Subsidiaries has (or has had) any pension plan;

(bbb) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal, state or provincial pension plan premiums, accrued wages, salaries and commissions and Employee Plan payments have been reflected in the books and records of the Company and its Subsidiaries;

(ccc) the assets of the Company and of each Subsidiary and their businesses and operations are insured against loss or damage with insurers of recognized financial responsibility on a basis (including with respect to deductibles) consistent with insurance obtained by reasonably prudent participants in business comparable with that of the Company and its Subsidiaries, and such coverage is in full force and effect, and the Company and the Subsidiaries have not failed to promptly give any notice of any claim thereunder;

(ddd) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company and the Subsidiaries have been paid. All tax returns, declarations, remittances and filings required to be filed by the Company and each of the Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the Best of the Company's Knowledge, no examination of any tax return of the Company or a 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 Company or any Subsidiary;

(eee) the Company and the Subsidiaries have established on their books and records reserves that are adequate for the payment of all Taxes not yet due and payable and there are no liens for Taxes on the assets of the Company or any Subsidiary, and, to the Best of the Company's Knowledge, there are no audits pending of the tax returns of the Company or any Subsidiary (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency that would result in a Material Adverse Effect;

(fff) the definitive form of certificate representing the Common Shares is in proper form under the Laws of Canada and complies in all material respects with the requirements of the TSXV and does not conflict with the constating documents of the Company;

(ggg) within the last 12 months, the Company has not declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its securities and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its securities or agreed to do so or otherwise effected any return of capital with respect to such securities;

(hhh) there is not, in the constating documents of the Company or in any Material Agreement, Debt Instrument or any other indenture, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Company or the payment of dividends by the Company to the holders of its Common Shares;

(iii) no Securities Commission nor the TSXV has issued any order requiring trading in any of the Company's securities to cease or preventing the distribution of the Units in any Selling Jurisdiction nor instituted proceedings for that purpose and to the Best of the Company's Knowledge, no such proceedings are pending or contemplated;

(jjj) neither the Company nor any of the Subsidiaries has received notice from any Governmental Authority of any jurisdiction in which it carries on a material part of its business, or owns or leases any material property, of any restriction on its ability to or of a requirement for it to qualify to, nor is it otherwise aware of any restriction on its ability to or of a requirement for it to qualify to, conduct its business as described in the Prospectus in such jurisdiction, except as would not result in a Material Adverse Effect;

(kkk) since January 1, 2017: (i) there has not been any adverse material change or change in material fact (actual, proposed, threatened or contemplated) in the business, affairs, operations, capital, prospects, assets, liabilities or obligations (contingent or otherwise) of the Company or the Subsidiaries; (ii) there has not been any adverse material change in the consolidated financial position of the Company; (iii) other than as disclosed in the Company's Information Record, there has not been any material change in the capital or long-term debt of the Company and its Subsidiaries on a consolidated basis; and (iv) there has been no material transaction entered into by the Company or the Subsidiaries, other than those disclosed in the Company's Information Record or entered into in the ordinary course of business;

(lll) the Company and each of the Subsidiaries maintains 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 International Financial Reporting Standards, as applicable, 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;

(mmm) other than as disclosed in the Audited Financial Statements, there are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Company or its Subsidiaries with unconsolidated entities or other persons that could reasonably be expected to have a Material Adverse Effect;

(nnn) the Company and the Subsidiaries are not party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument other than as disclosed in the Company's Information Record and neither the Company nor any Subsidiary has made any loans to, or guaranteed the obligations of, any Person;

(ooo) neither the Company, the Subsidiaries nor any other party thereto, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Company or the Subsidiaries or such other Person under any Debt Instrument, Material Agreement or other instrument, document or arrangement to which the Company or the Subsidiaries are a party or otherwise bound and all such contracts, agreements or arrangements are in good standing, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Company, the Subsidiaries or any other party with respect to any such agreement, instrument, document or arrangement in any case which default would have a Material Adverse Effect;

(ppp) other than the Company, there is no Person that is or will be entitled to demand the proceeds of the Offering;

(qqq) there is no requirement under any agreement or applicable Laws (including Canadian Securities Laws) or otherwise, for the Company to obtain the approval of its shareholders to complete the Offering;

(rrr) the Offering will not cause the Company, the Subsidiaries or any other party thereto to become in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Company or the Subsidiaries or such other Person under any Debt Instrument, Material Agreement or other instrument, document or arrangement (including all option agreements) to which the Company or the Subsidiaries are a party or otherwise bound;

(sss) the Company and the Subsidiaries have not made any significant acquisition, as such term is defined in Part 8 of NI 51-102, in its current financial year or prior financial years in respect of which historical and/or pro forma financial statements or other information would be required to be included or incorporated by reference into the Prospectus and for which a business acquisition report has not been filed under NI 51-102, the Company has not entered into any agreement or arrangement in respect of a transaction that would be a significant acquisition for purposes of Part 8 of NI 51-102 and there are no proposed acquisitions by the Company that have progressed to the state where a reasonable Person would believe that the likelihood of the Company completing the acquisition is high and would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the Final Prospectus;

(ttt) the minute books of the Company and the Subsidiaries for the two year period prior to the date hereof made available to counsel for the Agents in connection with its due diligence investigation of the Company contain the constating documents of the Company and the Subsidiaries from the date of incorporation and copies of all proceedings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of the Company and the Subsidiaries for the two year period prior to the date hereof and there have been no other meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the boards of directors of the Company and the Subsidiaries not reflected in such minute books and other records during the two year period prior to the date hereof, other than those which are not material in the context of the Company as of the date hereof;

(uuu) all of the information which has been prepared by the Company relating to the Company and the Subsidiaries and their business, property and liabilities and provided to the Agents in connection with the preparation of the Prospectus, including all financial, marketing, sales and operational information provided to the Agents is, as of the date of such information, true and correct, taken as a whole (except to the extent amended or superseded by information subsequently provided to the Agents or publicly disclosed) and no fact or facts have been omitted therefrom which would make such information misleading;

(vvv) neither the Company nor, to the Best of the Company's Knowledge, its officers or directors are aware of any circumstances presently existing under which liability is or could reasonably be expected to be incurred by the Company under the Act;

(www) other than the Agents, there is no Person acting or purporting to act at the request or on behalf of the Company that is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement;

(xxx) other than the Subsidiaries, the Company does not own, directly or indirectly, or exercise Control or direction over, and has not agreed to acquire outstanding securities of any other corporation or options to acquire securities of any other corporation, other than marketable securities held in the ordinary course of business, or a participating interest in any partnership, joint venture or other business enterprise;

(yyy) the directors and officers of the Company who participated in the due diligence sessions held on October 10, 2018 and October 25, 2018 with the Agents have provided responses to the questions and inquiries of the Agents and their counsel asked at such sessions in connection with the Agents' due diligence investigations and such responses contain full and truthful disclosure in all material respects and, to the Best of the Company's Knowledge, such answers are true in all material respects;

(zzz) the Company is not aware of any legislation, or proposed legislation (published by a legislative body), which it anticipates will have a Material Adverse Effect;

(aaaa) there are no material judgments against the Company which are unsatisfied, nor are there any consent decrees or injunctions to which the Company is subject;

(bbbb) neither the Company nor its Subsidiaries, nor, to the Best of the Company's Knowledge, any of their respective employees or agents, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any Law, or made any payment to any foreign, Canadian, United States or provincial or state governmental officer or official or other Person charged with similar public or quasi-public duties, other than payments required or permitted by applicable Laws;

(cccc) neither the Company nor any of the Subsidiaries has any liabilities, direct or indirect, contingent or otherwise, not disclosed in the Prospectus which materially adversely affects the Company or the Subsidiaries, on a consolidated basis, or would reasonably be expected to have a Material Adverse Effect;

(dddd) the Company does not have any loans or other indebtedness outstanding, outside the normal course of business, which has been made to any of their respective shareholders, officers, directors or employees, past or present, or any Person not dealing at arm's length with them; and

(eeee) the Company is an Eligible Issuer and is a "reporting issuer" (as that term is defined under Canadian Securities Laws) or the equivalent in the Qualifying Provinces and, upon receiving the final receipt in respect of the Final Prospectus and at the Closing Time, will be a reporting issuer or the equivalent in each of the Qualifying Provinces, not in default of any requirement under Canadian Securities Laws, and not on the lists of defaulting reporting issuers maintained by the Securities Commissions in the Qualifying Provinces.

7. Closing. The purchase and sale of the Units shall be completed at the Closing Time at the offices of Lavery de Billy, L.L.P. in Montréal, Québec or at such other place(s) as the Agents and the Company may agree. At the Closing Time, the Company shall duly and validly deliver to the Agents the Unit Shares and Warrants via electronic deposit or represented by definitive certificates representing the Unit Shares and Warrants registered in the name of CDS & Co. or in such other name or names as the Lead Agent, on behalf of the Agents, may notify the Company in writing not less than 48 hours prior to Closing Time, against payment by the Agents to the Company, at the direction of the Company, in lawful money of Canada by wire transfer or, if permitted by applicable Law, by certified cheque or bank draft payable at par in the City of Montréal, of an amount equal to the gross proceeds from the sale of the Units issued and sold hereunder less the Commission and the expenses of the Agents payable by the Company to the Agents in accordance with Section 16 hereof.

The obligation of each of the Agents and the Company to complete the Closing shall be subject to the condition that subscriptions for a minimum of 6,666,666 Units have been received and not withdrawn on or before the Closing Date in respect of such Units and subject to the condition that all applicable periods during which purchasers may withdraw subscriptions under Applicable Securities Laws shall have expired. Pending satisfaction of these conditions and the conditions set out in Section 8, proceeds from subscriptions will be held by the Agents. If these conditions are not satisfied or the closing of the Offering does not occur for any other reason, the Agents shall ensure that the subscription proceeds received from prospective purchasers are returned by the Agents to such purchasers promptly without interest or deduction.

8. Agents' Conditions of Closing. Subject to Section 10, the obligation of the Agents to complete the Closing and arrange for the purchase of the Units at the Closing Time shall be subject to the satisfaction of each of the following conditions:

(a) the Agents shall have received an opinion, dated as of the Closing Date and subject to customary qualifications, of Lavery de Billy L.L.P. and opinions of local counsel as applicable in the Qualifying Provinces, other than Québec (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company; and (ii) as to matters of fact not independently established, on certificates of the Company's auditors or a public official) with respect to the following matters:

(i) as to the incorporation and subsistence of the Company under the Laws of Canada;

(ii) as to the corporate power of the Company to carry out its obligations under this Agreement and to offer, sell and issue the Units;

(iii) as to the corporate power of the Company to grant the Compensation Options and to carry out its obligations thereunder and to issue the Option Shares upon the exercise thereof;

(iv) as to the authorized capital of the Company;

(v) the Company has taken all necessary corporate action to authorize the execution and delivery of this Agreement, the Warrant Indenture and the certificate(s) representing the Warrants, and the certificate(s) representing the Compensation Options, and performance of its obligations hereunder and thereunder and that this Agreement, the Warrant Indenture and the certificate(s) representing the Warrants, and the certificate(s) representing the Compensation Options each constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its respective terms (except as such enforceability may be limited by bankruptcy, insolvency, receivership and other similar laws affecting the rights of creditors generally, or by general principles of equity);

(vi) the execution and delivery of this Agreement, the Warrant Indenture and the certificate(s) representing the Warrants, and the certificate(s) representing the Compensation Options, and the performance by the Company of its obligations hereunder and thereunder, and the issue and sale of the Unit Shares and the Warrants comprising the Units, the Warrant Shares, the Compensation Options and the Option Shares does not and will not conflict with, result in a breach of or create a state of facts which, whether with or without the giving of notice or lapse of time or both, will result in a breach or violation of:

(A) any of the terms, conditions or provisions of the articles, by-laws or resolutions of the board of directors or the shareholders of the Company;

(B) any statute, rule or regulation of the Province of Québec or the laws of Canada applicable therein;

(C) any term, condition or other provision of any agreement or instrument, including any contract, lease, concession, credit agreement, mortgage, debenture, note, indenture, shareholder rights plan or other contract, to which, to the best of the knowledge of the Company, the Company is a party or by which it is contractually bound as at the date hereof or the Closing Date; or

(D) any judgement, decree or order of any government, governmental, regulatory or administrative agency, authority, commission or instrumentality or court having jurisdiction over or binding the Company or its properties or assets;

(vii) no consent, approval, authorization or order of or filing, registration or qualification with any Governmental Authority having jurisdiction is required as at the date hereof for the execution and delivery by the Company of this Agreement, the Warrant Indenture and the certificate(s) representing the Warrants, and the certificate(s) representing the Compensation Options, and the performance by the Company of its obligations hereunder and thereunder, except for such as have been made or obtained;

(viii) the rights, privileges, restrictions and conditions attaching to the Unit Shares and Warrants comprising the Units are accurately summarized in all material respects in the Final Prospectus;

(ix) the Unit Shares have been duly authorized and validly issued as fully paid and non-assessable Common Shares and the Warrants have been duly authorized and validly issued as fully paid and non-assessable securities of the Company;

(x) the Warrant Shares and the Option Shares have been duly authorized and reserved for issuance and, upon payment in full of the applicable exercise price therefor in accordance with the terms of the Warrants and the Compensation Options, respectively, will, when issued, be validly issued as fully paid and non-assessable Common Shares of the Company;

(xi) all necessary corporate action has been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material and the filing thereof with the Securities Commissions in the Qualifying Provinces and, if applicable, the delivery of each of the preliminary and final U.S. Private Placement Memorandum;

(xii) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under Canadian Securities Laws in the Qualifying Provinces to qualify the Distribution of the Units to the public in each of the Qualifying Provinces by or through investment dealers duly registered under the Canadian Securities Laws who have complied with the relevant provisions of such Laws and the terms of their registration and to qualify the Distribution of the Compensation Options and the Option Shares;

(xiii) that (A) the form of the share certificate representing the Common Shares complies with the requirements under the *Canada Business Corporations Act*; and (B) the form of the certificate(s) representing the Warrants complies with the requirements under the Warrant Indenture; and each such certificate conforms, in all material respects, with the rules of the TSXV and has been duly approved by the Company;

(xiv) that the Unit Shares, the Warrants, the Warrant Shares and the Option Shares will, as of the date they are issued, be "qualified investments" under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts;

(xv) the Unit Shares, the Warrant Shares and the Option Shares have been conditionally approved for listing on the TSXV, subject only to the Standard Listing Conditions;

(xvi) that the Company is a "reporting issuer" under Canadian Securities Laws and is not on a list of defaulting reporting issuers maintained by any Securities Commission; and

(xvii) as to such other matters as the Agents' legal counsel may reasonably request prior to the Closing Time;

(b) the Agents shall have received from local counsel in each jurisdiction of incorporation, organization or formation, as the case may be, of each Subsidiary, a legal opinion, in form and substance satisfactory to the Agents and their counsel, acting reasonably, with respect to the following matters:

(i) each of the Subsidiaries is a corporation or other form of entity existing under the laws of the jurisdiction in which it was incorporated, organized, formed, amalgamated or continued, as the case may be, and has all requisite corporate power to carry on its business as now conducted and to own, lease and operate its property and assets; and

(ii) all of the issued and outstanding shares or other ownership interests or rights of the Subsidiaries are registered, directly or indirectly, in the name of the Company or a subsidiary of the Company, or, in respect of Xebec Adsorption (Shanghai) Co. Ltd., 70% of the issued and outstanding shares are registered, directly or indirectly, in the name of the Company;

(c) if any Units are offered and sold in the United States, the Company will cause a favourable legal opinion to be delivered to the Agents by the Company's special United States counsel, dated and delivered on the Closing Date, such opinion to be subject to such qualifications and assumptions as the Agents may agree and in form and substance satisfactory to the Agents, acting reasonably, to the effect that no registration of the Units offered and sold in the United States will be required under the U.S. Securities Act in connection with such offer and sale, provided that the offer and sale of the Units in the United States is made in accordance with U.S. Securities Laws;

(d) the Agents shall have received evidence of the issuance, subject to receipt of the purchase price therefor, of the Unit Shares and Warrants in form and substance satisfactory to the Agents, acting reasonably, through either electronic deposit or definitive certificates;

(e) the Company shall have delivered to the Agents without charge and in such numbers as the Agents may reasonably request, on the next Business Day after the issuance of the receipt or deemed receipt for the Preliminary Prospectus or any Supplementary Material, as the case may be, in each of the Qualifying Provinces, or such later time as may be agreed upon by the Company and the Lead Agent, on behalf of the Agents, in such Canadian cities as the Lead Agent, on behalf of the Agents, may reasonably request, the reasonable requirements of conformed commercial copies of the Preliminary Prospectus, the (preliminary) U.S. Private Placement Memorandum, if applicable, and any Supplementary Material (other than Documents Incorporated by Reference), if applicable;

(f) the Company shall have delivered to the Agents without charge and in such numbers as the Agents may reasonably request, on the next Business Day after the issuance of the receipt or deemed receipt for the Final Prospectus or any Supplementary Material, as the case may be, in each of the Qualifying Provinces, or such later time as may be agreed upon by the Company and the Lead Agent, on behalf of the Agents, in such Canadian cities as the Lead Agent, on behalf of the Agents, may reasonably request, the reasonable requirements of conformed commercial copies of the Final Prospectus, the (final) U.S. Private Placement Memorandum, if applicable, and any Supplementary Material, if applicable;

(g) the Company shall have complied with all of its covenants and obligations under this Agreement required to be satisfied at or prior to the Closing Time;

(h) the Agents shall have received a certificate, dated as of the Closing Date, of an officer of the Company, addressed to the Agents in form and substance satisfactory to the Agents, acting reasonably, with respect to:

   (i) the constating documents and articles of the Company;

   (ii) the resolutions of the directors of the Company relevant to the issue and sale of the Units and the authorization of this Agreement and other agreements and transactions contemplated by this Agreement; and

   (iii) the incumbency and signatures of signing officers of the Company;

(i) the Agents shall have received a certificate, dated as of the Closing Date, of the President and Chief Executive Officer and the Chief Financial Officer of the Company (or such other officer or officers of the Company acceptable to the Agents, acting reasonably), addressed to the Agents and their counsel, certifying, for and on behalf of the Company, after having made due inquiries, with respect to the following matters:

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

(ii) the representations and warranties of the Company contained herein are true and correct as at the Closing Time, with the same force and effect as if made on and as at the Closing Time after giving effect to the transactions contemplated hereby;

(iii) no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Common Shares or any other securities of the Company has been issued by any Securities Commissions and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Applicable Securities Laws or by any Securities Commissions;

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

(v) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Final Prospectus which fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus or which would result in the Final Prospectus not complying with applicable Canadian Securities Laws in the Qualifying Provinces, and each such statement shall be true and the Agents shall have no knowledge to the contrary;

(j) the Agents shall have received a letter dated as of the Closing Date, in form and substance satisfactory to the Agents, addressed to the Agents from the Company's Auditors confirming the continued accuracy of the comfort letter delivered to the Agents pursuant to subsection 3(a)(iii) hereof with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Closing Date, which changes shall be acceptable to the Agents;

(k) the Unit Shares, the Warrant Shares and the Option Shares shall have been conditionally approved for listing on the TSXV, subject to the Standard Listing Conditions;

(l) the Agents and their counsel shall have been provided with information and documentation, reasonably requested relating to their due diligence inquiries and investigations and shall not have identified any undisclosed Material Adverse Changes or misrepresentations in the Company's Information Record;

(m) the Agents shall have received a corporate certificate of compliance (or equivalent) in respect of each of the Company and the Subsidiaries;

(n) the Agents shall have received satisfactory evidence that the Company is not in default under applicable Canadian Securities Laws in the Qualifying Provinces;

(o) the Agents shall have received a certificate or other document from AST Trust Company (Canada) dated the Closing Date as to the number of Common Shares issued and outstanding as at the close of business on the Business Day prior to the Closing Date;

(p) the Agents shall have received a lock-up agreement from each of the directors and officers of the Company substantially in the form attached hereto as Schedule "A" subject to such changes as may be agreed to by the Lead Agent, on behalf of the Agents;

(q) the Agents shall have received satisfactory evidence that the Company has obtained all necessary waivers, consents and/or approvals of the transactions contemplated herein, if any; and

(r) the Agents shall have received the certificate(s) representing the Compensation Options.

9. Restrictions on Further Issues or Sales. Other than in connection with the Offering, during the period commencing on the date hereof until 90 days following the Closing Date, the Company shall not, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible or exercisable into Common Shares, other than in connection with: (i) the grant or exercise of stock options to or by directors, officers, employees and consultants of the Company pursuant to the terms of the current stock option plan of the Company and other share compensation arrangements and the issuance and sales of Common Shares relating thereto; and (ii) to satisfy existing instruments and agreements executed and outstanding as of the date hereof; in each case without the prior written consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld;

10. All Terms to be Conditions. The Company agrees that the conditions contained in Section 8 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and that it will use its commercially reasonable 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 Section 8 shall entitle any of the Agents, in addition to their rights in Section 11, to terminate its obligations hereunder, by written notice to that effect given to the Company and the other Agents at or prior to the Closing Time. It is understood that the Agents 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 Agents in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agents any such waiver or extension must be in writing and signed by each of the Agents.

11. Termination Events. Any Agent may terminate its obligations on or before the Closing Time if, commencing on the date hereof and prior to the Closing Time:

(a) *due diligence out* – the Agents are not satisfied in their discretion with their due diligence review and investigations of the Company; or

(b) *material change out* – there shall have occurred any material change or change in any material fact, or there should be discovered any previously undisclosed material change or material fact in relation to the Company required to be disclosed in the Preliminary Prospectus, the Final Prospectus or any Supplementary Materials, in each case which, in the reasonable opinion of the Agents (or any of them), has or would be expected to have a material adverse effect on the market price or value of the Units or any other securities of the Company; or

(c) *cease trade out* – any order to cease or suspend trading in any securities of the Company or prohibiting or restricting the distribution of any securities of the Company, including the Unit Shares and Warrants comprising the Units, is made, or proceedings are announced, commenced or threatened for the making of any such order, by any Securities Commission or similar regulatory authority, the TSXV or any other competent authority, and has not been rescinded, revoked or withdrawn; or

(d) *market out* – the state of the financial markets, whether national or international, is such that, in the opinion of the Agents, it would be impractical or unprofitable to offer or continue to offer the Units for sale; or

(e) *disaster out* – there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, terrorism or accident) or major occurrence of national or international consequence or any law or regulation is enacted or changed, which, in the sole opinion of the Agents (or any one of them), seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Company and its Subsidiaries taken as a whole; or

(f) *investigation out* – there is an inquiry, action, investigation or other proceeding (whether formal or informal) commenced, announced or threatened or an order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, including, without limitation, the TSXV or any Securities Commission, in relation to the Company or any one of its officers or directors (except for any inquiry, action, suit, proceeding, investigation or order based upon activities of the Agents and not upon activities of the Company), which in the opinion of the Agents, acting reasonably, operates to prevent or materially restrict the distribution or trading of the Units or Unit Shares, as the case may be, or, which in the reasonable opinion of the Agents, materially and adversely affects or would be reasonably expected to materially and adversely affect the market price or value of the Units or Unit Shares, as the case may be, or any other securities of the Company; or

(g) *breach of agreement out* – the Company is in breach of any material term, condition or covenant of this Agreement or any material representation or warranty given by the Company in this Agreement becomes or is false.

Upon the occurrence of any of the foregoing events, any Agent shall be entitled to terminate and cancel its obligations to the Company hereunder by written notice to that effect given to the Company and the other Agents prior to the Closing.

12. Exercise of Termination Right. If this Agreement is terminated by any of the Agents pursuant to Sections 10 and 11, there shall be no further liability to the Company on the part of such Agent or of the Company to such Agent, except in respect of any liability which may have arisen or may thereafter arise under Sections 14 and 15. The right of the Agents or any one 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 Company in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Agent under Section 11 shall not be binding upon the other Agents.

13. Survival of Representations and Warranties. Subject to the following sentence, all terms, warranties, representations, covenants and agreements herein contained or contained in any documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and will continue in full force and effect for the benefit of the Agents and the Company, as the case may be, regardless of any subsequent disposition of the Units for a period ending on the later of: (a) the date that is two years following the Closing Date, and (b) the latest date under Canadian Securities Laws that an action may be commenced or a right of rescission may be exercised with respect to a misrepresentation contained in the Final Prospectus or, if applicable, any Supplementary Material. Notwithstanding the foregoing, the covenants and agreements in Sections 14, 15, 16, 20 and with respect to the payment of the Commission shall survive the Closing and will continue in full force and effect for the benefit of the Agents and the Company, as the case may be. The Agents and the Company, as the case may be, will be entitled to rely on the representations and warranties of the other parties contained in this Agreement or delivered pursuant to this Agreement notwithstanding any investigation, which the Agents or the Company, as the case may be, may undertake or which may be undertaken on the Agents' or Company's behalf, as the case may be.

14. Indemnity. The Company (the "**Indemnifying Party**") covenants and agrees to indemnify and hold each of the Agents, each of the Agents' subsidiaries and affiliates, and each of the Agents' respective directors, officers, employees, partners, unitholders, agents and shareholders (collectively, the "**Personnel**") harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations or liabilities, whether joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, investigations, proceedings or claims that may be made against the Agents and/or their subsidiaries and affiliates and/or their Personnel, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Agents and/or their subsidiaries and affiliates and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such expenses, losses, fees, claims, actions, damages, obligations or liabilities arise out of or are based, directly or indirectly, from or in consequence of:

(a) any information or statement contained in the Offering Documents or in any other document or material filed or delivered by or on behalf of the Company pursuant hereto (other than any information or statement relating solely to the Agents and furnished to the Company by the Agents in writing expressly for inclusion in the Offering Documents or such other document or material) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact (other than any information or fact relating solely to the Agents) the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;

(b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agents and furnished to the Company by the Agents in writing expressly for inclusion in the Offering Documents or in any document or other part of the Company's Information Record) contained in the Offering Documents or in any other document or any other part of the Company's Information Record filed by or on behalf of the Company;

(c) any prohibition or restriction of trading in the securities of the Company or any prohibition or restriction affecting the distribution of the Common Shares imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in subsection 14(b);

(d) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Agents or their banking or Selling Firm members, if any) prohibiting, restricting, relating to or materially affecting the trading or distribution of the Units;

(e) any breach of, default under or non-compliance by the Company with any requirements of the Applicable Securities Laws, the by-laws, rules or regulations of the TSXV or any representation, warranty, covenant, term or condition of this Agreement or in any certificate or other document delivered by or on behalf of the Company hereunder or pursuant hereto; or

(f) the performance of professional services rendered to the Indemnifying Party by the Agents, their subsidiaries and affiliates and their Personnel hereunder, or otherwise in connection with the matters referred to in this Agreement;

provided, however, that this indemnity shall not apply in the event and to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(i) the respective Agent or its subsidiaries or affiliates or its Personnel have been grossly negligent or have committed any wilful misconduct or fraudulent act in the course of such performance; and

(ii) the expenses, losses, fees, claims, actions, damages, obligations or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence, wilful misconduct or fraud referred to in (i).

The Company agrees that if any legal proceeding shall be brought against or commenced relating to the Company and/or the Agents, their subsidiaries or affiliates or their Personnel by any Governmental Authority, either domestic or foreign, and/or 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 Company by the Agents, or their subsidiaries or affiliates or their Personnel hereunder, the Agents, their subsidiaries and affiliates and their Personnel 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 Agents, their subsidiaries and affiliates and their Personnel for time spent by the Agents and any of their Personnel in connection therewith) and out-of-pocket expenses incurred by their Personnel in connection therewith shall be paid by the Company as they occur, provided that, notwithstanding the foregoing, the Agents, their subsidiaries and affiliates and their Personnel shall utilize the Company's counsel unless in the opinion of the Agents, subsidiaries, affiliates or Personnel, as the case may be, based on the opinion of counsel, there is an actual, potential or apparent conflict between the interests of such parties and the interests of the Company such that joint representation would be inappropriate.

Promptly after receipt of notice of the commencement of any legal proceeding against the Agents, their subsidiaries or affiliates or any of their Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company, the Agents, their subsidiaries or affiliates or any of their Personnel (or any one of them) shall notify the Company in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Company, will keep the Company advised of the progress thereof and will discuss with the Company all significant actions proposed.

If the Company has assumed the defence of any suit brought to enforce a claim hereunder, the Agents and their subsidiaries and affiliates and their Personnel shall provide the Company copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Company in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defence of, a claim undertaken by the Company.

The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to those of the Agents, subsidiaries, affiliates and the Personnel who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Company, the Agents, their subsidiaries and affiliates and any of their Personnel. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

With respect to any party who may be indemnified by the above indemnity and is not a party to this Agreement, the Agents shall obtain and hold the rights and benefits of this indemnity in trust for and on behalf of such indemnified party.

15. Contribution. In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 14 would otherwise be available in accordance with its terms but is, for any reason, unavailable to or unenforceable by the Agents or enforceable otherwise than in accordance with its terms or insufficient to hold any Agent or its subsidiaries or affiliates or the Personnel harmless, the Company shall contribute to all claims suffered or incurred by any Agent or its subsidiaries or affiliates or the Personnel in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and any Agent or its subsidiaries or affiliates or the Personnel on the other hand from the Distribution of the Units but also the relative fault of the Company or any Agent or its subsidiaries or affiliates or the Personnel as well as any relevant equitable considerations. The Company shall in any event be liable to contribute to the amount paid or payable as a result of a claim under Section 14, any amounts in excess of the Commission or any portion of such Commission actually received by the Agents. The Agents shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the Commission or any portion of such Commission actually received. However, no Person who has engaged in any of the events described in Section 14(f)(i) and 14(f)(ii) above shall be entitled to claim contribution from any Person who has not engaged in such events.

The rights to contribution provided in this Section 15 shall be in addition to and not in derogation of any other right to contribution which the Agents may have by statute or otherwise at law.

If the Company may be held to be entitled to contribution from the Agents under the provisions of any statute or at Law, the Company shall be limited to contribution in an amount not exceeding the lesser of:

(a) the portion of the full amount of the loss or liability giving rise to such contribution for which the Agents are responsible, having regard to this Section 15, and

(b) the amount of the aggregate Commission actually received by the Agents from the Company under this Agreement.

For greater certainty, in the event of unenforceability or unavailability of the indemnity provided for in Section 14, the Company shall not have any obligation to contribute pursuant to this Section 15.

16. Expenses. The Company shall pay all reasonable expenses and fees in connection with the Offering, including, without limitation: (i) all reasonable expenses of or incidental to the creation, issue, sale or distribution of the Units and the filing and delivery of the Prospectus; (ii) the fees and expenses of the Company's legal counsel; (iii) all costs incurred in connection with the preparation of documentation relating to the Offering; (iv) the reasonable fees and expenses of the Agents' legal counsel, subject to a maximum of $125,000 (exclusive of applicable taxes and disbursements and the Agents' U.S. legal counsel fees and disbursements); and (v) all reasonable "out-of-pocket expenses" of the Agents. All fees and expenses incurred by the Agents or on their behalf shall be payable by the Company immediately upon receiving an invoice therefor from the Agents and shall be payable whether or not the Offering is completed. At the option of the Lead Agent, on behalf of the Agents, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Company at the applicable Closing Time.

17. Advertisements. The Company acknowledges that the Agents shall have the right, subject to compliance with Applicable Securities Laws and this Agreement, at their own expense, and subject to the prior consent of the Company, such consent not to be unreasonably withheld, to place such advertisement or advertisements relating to the sale of the Units contemplated herein as the Agents may consider desirable or appropriate and as may be permitted by Applicable Securities Laws. The Company and the Agents each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the Offering so as to result in any contravention of Applicable Securities Laws.

18. Agents' Authority. The Company shall be entitled to and shall act on any notice, request, direction and other communication given or agreement entered into by or on behalf of the Agents by the Lead Agent who shall represent the Agents and have authority to bind the Agents hereunder, except for any matters pursuant to Sections 10, 11, 12, 14 or 15.

19. Stabilization. In connection with the distribution of the Units, the Agents may over allot or 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 only as permitted by Applicable Securities Laws. Such stabilizing transactions, if any, may be discontinued at any time.

20. Alternative Transaction. If the Offering is not completed and during the term of this Agreement or within 120 days following the termination of this Agreement:

(a) the Company agrees to, or announces or enters into a binding definitive agreement in respect of, an Alternative Business Transaction; and

(b) the Lead Agent does not act as the lead agent, co-lead agent or financial advisor to the Company in respect of such Alternative Business Transaction, unless the failure to complete the Offering is solely attributable to the failure of the Agents to fulfill and perform their obligations hereunder and provided the Company and its senior management have used their commercially reasonable best efforts to support the consummation and completion of the Offering, including by complying with the Company's obligations hereunder, then the Company agrees to pay a cash compensation fee to the Lead Agent (the "**Alternative Transaction Fee**"), within five business days of the closing of such Alternative Business Transaction, as follows:

(i) if an Alternative Business Transaction is agreed to, announced or entered into prior to the commencement of the roadshow and marketing meetings with respect to the Offering, the Alternative Transaction Fee shall be 25% of the maximum Commission contemplated herein;

(ii) if an Alternative Business Transaction is agreed to, announced or entered into subsequent to the commencement of the roadshow and marketing meetings with respect to the Offering and prior to the completion of the order book with respect to the Offering, the Alternative Transaction Fee shall be 50% of the maximum Commission contemplated herein; and

(iii) if an Alternative Business Transaction is agreed to, announced or entered into subsequent to the completion of the order book with respect to the Offering, the Alternative Transaction Fee shall be 100% of the Commission that would have been payable to the Lead Agent upon the successful completion of the Offering, to be determined based on the actual size of the order book at such time.

21. Notices. Unless otherwise expressly provided in this Agreement, any notice or other communication required or permitted to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Company, to:

Xebec Adsorption Inc.
730 Boulevard Industriel
Blainville, Québec J7C 3V4

Attention: Kurt Sorschak, Chairman, President and Chief Executive Officer
E-mail: ksorschak@xebecinc.com

with a copy (for information purposes only and not constituting notice) to:

Lavery, de Billy, L.L.P.
Suite 4000, 1 Place Ville Marie
Montreal, Québec H3B 4M4

Attention: Josianne Beaudry, Partner
E-mail: jbeaudry@lavery.ca

If to the Agents, to:

Beacon Securities Limited
Suite 4050, Toronto Dominion Centre
66 Wellington Street West
Toronto, Ontario M5K 1H1

Attention: Stephen J.A. Delaney, Managing Director, Investment Banking
E-mail: sdelaney@beaconsecurities.ca

With a copy (for information purposes only and not constituting notice) to:

Bennett Jones LLP
Suite 3400, One First Canadian Place
100 King Street West
Toronto, Ontario M5X 1A4

Attention: Sander Grieve, Partner
E-mail: grieves@bennettjones.com

and if so given, shall be deemed to have been given and received upon receipt by the addressee or a responsible officer of the addressee if delivered, or one hour after being emailed and receipt confirmed during normal business hours, as the case may be. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address or email address.

22. Time of the Essence. Time shall, in all respects, be of the essence hereof.

23. Canadian Dollars. All references herein to dollar amounts are to lawful money of Canada.

24. Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

25. 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, including the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.

26. Severability. If one or more 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 hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

27. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein (excluding any conflict of law, rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction) and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Québec with respect to any matter arising hereunder or relating hereto.

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

29. 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.

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

31. Counterparts and Facsimile or Electronic Copies. This Agreement may be executed in any number of counterparts and by facsimile or other electronic format, which taken together shall form one and the same agreement and acceptance by the Company and the Agents of that delivery shall be legally effective to create a valid and binding agreement between the Company and the Agents in accordance with the terms of this Agreement.

32. Conflict. The Company acknowledges that the Agents and their affiliates carry on a range of businesses, including providing stockbroking, investment advisory, research, investment management and custodial services to clients and trading in financial products as agent or principal. It is possible that the Agents and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Company agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Company's interests under this Agreement.

33. Fiduciary. The Company hereby acknowledges that the Agents are acting solely as agents in connection with the offer and sale of the Units. The Company further acknowledges that the Agents are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agents act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other Person in connection with any activity that the Agents may undertake or have undertaken in furtherance of such offer and sale of the Company's securities, either before or after the date hereof. The Agents hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Agents agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agents to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company and the Agents agree that the Agents are acting as principal and not the agent or fiduciary of the Company and no Agent has assumed, and no Agent will assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Agent has advised or is currently advising the Company on other matters). The Company acknowledges and agrees that it waives, to the fullest extent permitted by law, any claims the Company and its affiliates may have against any of the Agents for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Agents shall have no liability (whether direct or indirect) to the Company or any of its affiliates in respect of such a fiduciary duty claim or to any Person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company. Information which is held elsewhere within any of the Agents, but of which none of the individuals in the investment banking department or division of any of the Agents involved in providing the services contemplated by this Agreement actually has knowledge (or without breach of internal procedures can properly obtain) will not for any purpose be taken into account in determining any of the responsibilities of the Agents to the Company under this Agreement.

34. Language. The parties hereto confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente convention ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agents.

Yours very truly,

BEACON SECURITIES LIMITED

Per: (signed) *"Stephen J. A. Delaney"*
Name: Stephen J. A. Delaney
Title: Managing Director, Investment Banking

PARADIGM CAPITAL INC.

Per: (signed) *"Barry Richards"*
Name: Barry Richards
Title: Managing Director, Investment Banking

The foregoing is hereby accepted on the terms and conditions therein set forth as of the 25th day of October, 2018.

XEBEC ADSORPTION INC.

Per: (signed) *"Kurt Sorschak"*
Name: Kurt Sorschak
Title: Chairman, President and Chief Executive Officer

SCHEDULE "A"

FORM OF LOCK-UP AGREEMENT

This is Schedule "A" *to the Agency Agreement dated as of October 25, 2018 among Xebec Adsorption Inc., Beacon Securities Limited and Paradigm Capital Inc.*

LOCK-UP AGREEMENT

October _____, 2018

Beacon Securities Limited
Suite 4050, Toronto Dominion Centre
66 Wellington Street West
Toronto, Ontario M5K 1H1

- and -

Paradigm Capital Inc.
Suite 2101, 95 Wellington Street West
Toronto, Ontario M5J 2N7

- and -

Xebec Adsorption Inc.
730 Boulevard Industriel
Blainville, Québec J7C 3V4

Ladies and Gentlemen:

The undersigned director and/or officer of Xebec Adsorption Inc. (the "**Company**") understands that an agency agreement ("**Agency Agreement**") has been executed and delivered by the Company and Beacon Securities Limited ("**Beacon**") and Paradigm Capital Inc. (collectively, the "**Agents**"), whereby the Company agreed to offer units of the Company for sale on a "best efforts" agency basis (the "**Offering**"). The execution and delivery by the undersigned of this agreement ("**Lock-Up Letter Agreement**") is a condition to the closing of the Offering.

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees not (and shall cause its affiliates not) to, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, hypothecate, pledge, transfer, assign, otherwise dispose of or deal with, or publicly announce any intention to do any of the foregoing, whether through the facilities of a stock exchange, by private placement or otherwise, any securities of the Company owned, directly or indirectly, by the undersigned or under the control or direction of the undersigned or with respect to which the undersigned has beneficial ownership (the "**Locked-Up Securities**"), or enter into any other transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of the Locked-Up Securities, without, in each case, the prior written consent of Beacon, on behalf of the Agents, which will not be unreasonably withheld or delayed, for a period of 90 days from the date of the closing of the Offering (the "**Lock-Up Period**").

Notwithstanding anything to the contrary contained in this Lock-Up Letter Agreement, during the Lock-Up Period, the undersigned may, without the consent of Beacon: (i) transfer, sell or tender any or all of the Locked-Up Securities pursuant to a take-over bid (as defined in the *Securities Act* (Québec)) or any other similar transaction made generally to all of the shareholders of the Company, including, without limitation, a merger, arrangement or amalgamation, involving a change of control of the Company (provided that all Locked-Up Securities not transferred, sold or tendered remain subject to this undertaking) and provided further that it shall be a condition of transfer that if such take-over bid or such other transaction is not completed, any Locked-Up Securities subject to this undertaking shall remain subject to the restrictions in this Lock-Up Letter Agreement; (ii) transfer any or all of the Locked-Up Securities to any nominee or custodian where there is no change in beneficial ownership; (iii) transfer any or all of the Locked-Up Securities under existing director or officer stock options, bonus or purchase plans or similar share compensation arrangements of the Company; or (iv) transfer any or all of the Locked-Up Securities under any director or officer stock options or bonuses granted subsequently in accordance with applicable Canadian Securities Laws and in a manner consistent with the Company's past practices.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-up Letter Agreement and that, upon the reasonable request of the Agents, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement of this Lock-Up Letter Agreement. This Lock-Up Letter Agreement is irrevocable and shall be binding upon the heirs, legal representatives, successors and assigns of the undersigned.

This Lock-Up Letter Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario, without reference to conflicts of laws.

This Lock-Up Letter Agreement constitutes the entire agreement and understanding between and among the parties with respect to the subject matter of this Lock-Up Letter Agreement and supersedes any prior agreement, representation or understanding with respect to such subject matter.

This Lock-up Letter Agreement has been entered into on the date first written above.

Yours very truly,

____

[●]