UNDERWRITING AGREEMENT

July 30, 2014

Trimel Pharmaceuticals Corporation
2488 Dunwin Drive
Mississauga, Ontario L5L 1J9

Attention: Tom Rossi, President and Chief Executive Officer

Dear Sir:

RE: Underwritten Private Placement of Common Shares

In furtherance of a letter agreement dated July 16, 2014 (the "**Letter Agreement**") between Trimel Pharmaceuticals Corporation (the "**Corporation**") and Cormark Securities Inc. (the "**Underwriter**"), the Underwriter hereby offers to purchase from the Corporation (with the right to substitute purchasers), and the Corporation agrees to issue and sell to the Underwriter, 28,801,000 common shares in the capital of the Corporation (the "**Offered Shares**") at a price of $0.62 per share (the "**Offering Price**") for aggregate gross proceeds to the Corporation of $17,856,620 (the "**Offering**").

It is understood that the sale of the Offered Shares to the Purchasers (as defined herein) will take place only in: (i) each of the provinces and territories of Canada (the "**Canadian Offering Jurisdictions**"); (ii) the United States in transactions that are exempt from registration under the U.S. Securities Act (as defined herein) and applicable state securities laws (the "**United States Offering Jurisdictions**"); and (iii) jurisdictions other than Canada as may be agreed to by the Corporation, acting reasonably, provided that the Corporation is not required to file a prospectus, offering memorandum, registration statement or other disclosure document or become subject to continuing obligations in such other jurisdictions (collectively with the Canadian Offering Jurisdictions and the United States Offering Jurisdictions, the "**Offering Jurisdictions**"), in each case in accordance with the provisions of this Agreement (as defined herein).

Interpretation

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

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

"**Agreement**" means the agreement resulting from the acceptance by the Corporation of the offer made hereby;

"**Applicable IP Laws**" means all federal, provincial, state and local laws and regulations applicable to Intellectual Property in Canada, the United States and the jurisdictions in which the Corporation or any of the Subsidiaries has registered Intellectual Property;

"**Applicable Laws**" means all applicable federal, provincial, state and local laws and regulations of authorities having jurisdiction over the Corporation, the Subsidiaries or the Agent as applicable;

“**Applicable Securities Laws**” mean, collectively, the applicable securities laws of the Offering Jurisdictions, the regulations, rules, rulings and orders made thereunder, the applicable published policy statements issued by the Securities Commissions thereunder and the securities legislation and published policies of each other jurisdiction the securities laws of which are applicable to the sale of the Offered Shares on the terms and conditions set out in this Agreement;

“**Audited Financial Statements**” means the audited financial statements of the Corporation as at and for its fiscal year ended December 31, 2013;

“**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario;

“**Canadian Offering Jurisdictions**” has the meaning ascribed thereto in the second paragraph of this Agreement;

“**CIPO**” means the Canadian Intellectual Property Office;

“**Clinical Trials**” has the meaning ascribed thereto in subsection 4(tt);

“**Closing**” means the completion of the issue and sale by the Corporation of the Offered Shares pursuant to this Agreement and the Subscription Agreements;

“**Closing Date**” means the date of the Closing, namely July 30, 2014 or such other date as the Underwriter and the Corporation may agree in writing;

“**Closing Time**” means no later than 12:00 p.m. (Toronto time), or such other time on the Closing Date as the Underwriter and the Corporation may agree in writing;

“**Common Shares**” means the common shares in the capital of the Corporation, which the Corporation is authorized to issue as constituted on the date hereof;

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

“**Corporation IP**” means the Intellectual Property that has been developed by or for or is being developed by or for the Corporation or any of the Subsidiaries or that is being used by the Corporation or any of the Subsidiaries, other than Licensed IP;

“**Credit and Security Agreement**” means the credit and security agreement dated July 16, 2014 among the Corporation, the Subsidiaries (as guarantors), MidCap Funding V, LLC (as agent and lender) and such other lenders as may be party to such agreement from time to time;

“**Disclosure Documents**” mean, collectively, all of the documentation which has been filed by or on behalf of the Corporation with the relevant securities regulatory authorities pursuant to the requirements of Applicable Securities Laws and publicly available on SEDAR;

“**Environmental Laws**” has the meaning ascribed thereto in subsection 4(ii);

“**Environmental Permits**” has the meaning ascribed thereto in subsection 4(jj);

“**Exchange**” means the Toronto Stock Exchange;

“**Exchange Letter**” means the letter dated July 29, 2014 from the Exchange conditionally approving the Offering;

"**FDA**" means the Food and Drug Administration of the U.S. Department of Health & Human Services;

"**Financial Statements**" means, collectively, the Audited Financial Statements and the Interim Financial Statements;

"**First Generation Indebtedness**" means the indebtedness extended to, and pursuant to the terms and conditions of, the convertible promissory note dated July 16, 2014 in favour of First Generation Capital Inc., as such promissory note may be amended, supplemented or otherwise modified from time to time;

"**General Electric Capital Agreement**" means the loan and security agreement dated as of July 18, 2012 among the Corporation, the Subsidiaries, the lenders party thereto from time to time and General Electric Capital Corporation, as administrative and collateral agent for the lenders;

"**Gross Proceeds**" means the gross proceeds raised from the sale of the Offered Shares;

"**Hazardous Substances**" has the meaning ascribed thereto in subsection 4(ii);

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

"**Indemnified Parties**" or "**Indemnified Party**" has the meaning ascribed thereto in Section 12;

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

"**Interim Financial Statements**" means the unaudited interim financial statements as at and for the three month period ended March 31, 2014;

"**Keldmann Agreement**" means the asset purchase agreement between Trimel BioPharma SRL and Keldmann Healthcare A/S dated November 30, 2009;

"**knowledge**" means, as it pertains to the Corporation, the actual knowledge of the executive officers of the Corporation in office as at the date of this Agreement, together with the knowledge which they would have had if they had conducted a diligent inquiry into the relevant subject matter;

"**Leased Premises**" has the meaning ascribed thereto in subsection 4(ooo);

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

"**Licensed IP**" means the Intellectual Property owned by any person other than the Corporation and the Subsidiaries and which the Corporation and/or any of the Subsidiaries uses;

"**losses**" has the meaning ascribed thereto in Section 12;

"**M&P Agreement**" means the amended and restated intellectual property rights and product rights development agreement dated December 21, 2013 between M&P Patent AG (since renamed Mattern Pharma AG) and Trimel BioPharma SRL;

"**Material Adverse Change**" or "**Material Adverse Effect**" means any change or effect on the Corporation or any Subsidiary or any of their respective businesses that is or is reasonably likely to be materially adverse to the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation or any of the Subsidiaries and their respective businesses, taken as a whole, after giving effect to this Agreement and the transactions contemplated hereby or that is or is reasonably likely to be materially adverse to the completion of the transactions contemplated by this Agreement;

"**Material Agreement**" means any material mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation or any Subsidiary is a party or by which the Corporation or any Subsidiary or a material portion of the assets of the Corporation or any Subsidiary is bound;

"**Material Permits**" has the meaning ascribed thereto in subsection 4(rr);

"**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"**OFAC**" means the Office of Foreign Assets Control of the U.S. Department of the Treasury;

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

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

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

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

"**Partially Excluded Purchasers**" means, collectively, [REDACTED – Names of Purchasers.];

"**person**" shall be interpreted broadly and shall include 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 thereto in Section 12;

"**Private Placement Exemption**" means the: (i) "accredited investor" exemption under Section 2.3 of NI 45-106; or (ii) "minimum amount investment" exemption under Section 2.10 of NI 45-106;

"**Purchasers**" mean, collectively, those persons who are purchasing the Offered Shares as contemplated herein, including Substituted Purchasers and/or the Underwriter;

"**Registered Corporation IP**" means all Corporation IP that is the subject of registration with a national intellectual property office (including, without limitation, the CIPO and the USPTO) for Intellectual Property or applications for such registration with a national Intellectual Property office, and includes all patents, trademarks and copyright, and related applications, including those disclosed in the Intangible Assets Schedule to the Credit and Security Agreement;

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

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

"**Regulatory Authority**" means the statutory or governmental bodies authorized under Applicable Laws to protect and promote public health through regulation and supervision of therapeutic drug candidates, including, without limitation, the FDA and Health Canada;

"**Securities Commissions**" mean the applicable securities commissions where the Corporation is a reporting issuer or other securities regulatory authorities in the Offering Jurisdictions;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Senior Indebtedness**" means the indebtedness extended to the Corporation pursuant to, and in accordance with the terms and conditions of, the Credit and Security Agreement;

"**SRED**" means Scientific Research and Experimental Development;

"**Subscription Agreements**" mean, collectively, the subscription agreements in the form mutually acceptable to the Corporation and the Underwriter to be entered into between the Purchasers and the Corporation in respect of the Offering, as amended or supplemented;

"**Subsidiaries**" means, collectively, Trimel BioPharma Holdings Inc. and Trimel BioPharma SRL;

"**Substituted Purchasers**" has the meaning ascribed thereto in subsection 1(a);

"**Taxes**" has the meaning ascribed thereto in subsection 4(l);

"**Transfer Agent**" means the registrar and transfer agent of the Corporation, namely TMX Equity Transfer Services Inc.;

"**U.S. Affiliate**" means the United States registered broker-dealer affiliate of the Underwriter;

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

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

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

"**Underwriting Fee**" has the meaning ascribed thereto in subsection 2(a);

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

"**United States Offering Jurisdictions**" has the meaning ascribed thereto in the second paragraph of this Agreement;

"**United States Purchaser**" means a Purchaser who is in the United States or purchasing for the account or benefit of a person in the United States or a U.S. Person;

"**USPTO**" means the United States Patent and Trademark Office; and

"**Valeant Claim**" means the third party claim initiated by Valeant Pharmaceuticals International, Inc. and Valeant International (Barbados) SRL in November 2013 against the Corporation and each of the Subsidiaries.

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

(a) words used herein importing the singular number include the plural and vice versa, words importing the use of any gender include all genders;

(b) references herein to any agreement or instrument, including this Agreement, are deemed to be references to the agreement or instrument as varied, amended, modified, supplemented or replaced from time to time, and any specific references herein to any legislation or enactment are deemed to be references to such legislation or enactment as the same may be amended or replaced from time to time; and

(c) the division of this Agreement into articles, sections, paragraphs, subparagraphs and clauses and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and the schedules hereto and not to any particular article, section, paragraph, subparagraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

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

Schedule “A” – Convertible Securities
Schedule “B” – United States Offers and Sales

1. **Nature of Transaction**

(a) The Corporation understands that although the offer to purchase the Offered Shares is being made by the Underwriter as purchaser, the Underwriter will endeavour to arrange for substituted purchasers (collectively, the “**Substituted Purchasers**”) for the Offered Shares in the Offering Jurisdictions, subject to acceptance by the Corporation, acting reasonably, of the Subscription Agreements. To the extent that Substituted Purchasers purchase Offered Shares on the Closing Date, the obligations of the Underwriter to purchase such Offered Shares shall be reduced by the number of Offered Shares purchased from the Corporation by such Substituted Purchasers. The Underwriter acknowledges that, subject to the conditions contained in Section 6 being satisfied and subject to the rights of the Underwriter contained in Section 9, the Underwriter is obligated to purchase or cause to be purchased all of the Offered Shares and that such obligation is not subject to the Underwriter being able to arrange for Substituted Purchasers.

(b) Each Purchaser resident in Canada shall purchase the Offered Shares under a Private Placement Exemption. The Underwriter will notify the Corporation with respect to the identity of any Purchaser as soon as practicable and with a view to leaving sufficient time to allow the Corporation to secure compliance with all relevant regulatory requirements of the applicable Offering Jurisdictions relating to the sale of the Offered Shares and, in any event not later than one Business Day prior to the Closing Date. The Corporation undertakes to file or cause to be filed all forms or undertakings required to be filed by the Corporation and to pay all filing fees in connection with the purchase and sale of the Offered Shares so that the distribution of such securities may lawfully occur without the necessity of filing a prospectus or an offering memorandum in Canada or comparable document in any other jurisdiction. The Underwriter undertakes to use its commercially reasonable efforts to cause Purchasers to complete any forms required by Applicable Securities Laws if so required.

(c) Any offer and sale of Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person shall be made pursuant to an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws and in accordance with the terms and conditions set out in Schedule "B" to this Agreement. The Corporation and the Underwriter shall, and the Underwriter shall cause its U.S. Affiliate through which sales of Offered Shares in the United States or to, or for the account or benefit of any person in the United States or a U.S. Person are to be effected to, comply with the terms and conditions set out therein.

(d) The Corporation understands and, subject to its prior agreement as to the particular Substituted Purchasers, acting reasonably, agrees that the Underwriter may arrange for Purchasers of the Offered Shares in jurisdictions other than Canada and the United States, on a private placement basis and pursuant to Rule 903 of Regulation S, provided that the sale of such Offered Shares does not contravene Applicable Securities Laws of the jurisdiction where the Purchaser is resident and provided that such sale does not trigger: (i) any obligation to prepare and file a prospectus, registration statement or similar disclosure document; or (ii) any registration, filing or other obligation on the part of the Corporation including, but not limited, to any continuing obligation in that jurisdiction.

(e) The certificates in definitive form and/or book-entry only securities representing the Offered Shares delivered at Closing shall contain such restrictive legends as set forth in the Subscription Agreements as applicable to: (i) Purchasers resident in Canada or outside the United States; and (ii) United States Purchasers, respectively.

2. **Underwriter's Compensation**

(a) In consideration for the performance of its obligations hereunder, the Corporation shall pay to the Underwriter an aggregate cash fee (the "**Underwriting Fee**") equal to 5.5% of the Gross Proceeds, it being acknowledged and agreed that the Underwriting Fee shall be reduced to 3% with respect to the sale of Offered Shares to the Partially Excluded Purchasers.

(b) The Underwriter may retain one or more registered securities brokers or investment dealers to act as selling agent in connection with the sale of the Offered Shares but the compensation payable to such selling agent shall be the sole responsibility of the Underwriter, and only as permitted by and in compliance with all Applicable Securities Laws, upon the terms and conditions set forth in this Agreement and the Underwriter will require each such selling agent to so agree.

3. **Covenants and Certification of the Underwriter**

The Underwriter hereby covenants to the Corporation as follows:

(a) it will conduct activities in connection with arranging for Purchasers in compliance with Applicable Securities Laws;

(b) it will not deliver to any prospective Purchaser any document or material which constitutes an offering memorandum or similar document under Applicable Securities Laws;

(c) it will not solicit offers to purchase or sell the Offered Shares so as to require registration thereof or filing of a prospectus or registration statement with respect thereto or continuing obligations on the part of the Corporation under the laws of any jurisdiction and it will not solicit offers to purchase or sell the Offered Shares in any jurisdiction outside of Canada where the solicitation or sale of the Offered Shares would result in any statutory ongoing disclosure requirements in such jurisdiction or any registration requirements in such jurisdiction on the part of the Corporation except for the filing of a notice or report of the solicitation or sale;

(d) it will refrain from any form of general advertising or any form of general solicitation in connection with the Offering in: (i) printed media of general and regular circulation or any similar medium; (ii) radio; (iii) television; or (iv) electronic media or conduct any seminar or meeting concerning the offer and sale of the Offered Shares whose attendees have been invited by any form of general solicitation or general advertising, and not make use of any green sheet or other internal marketing document without the written consent of the Corporation, such consent to be promptly considered and not to be unreasonably withheld, delayed or conditioned;

(e) it will obtain from each Purchaser an executed Subscription Agreement, together with all documentation as may be necessary in connection with the distribution of the Offered Shares; and

(f) it will comply with, and ensure that it and its selling agents and their respective directors, officers, employees and affiliates comply with Applicable Securities Laws and the terms and conditions set forth in this Agreement.

4. **<u>Representations and Warranties of the Corporation</u>**

The Corporation hereby represents and warrants to the Underwriter (on its own behalf and on behalf of each of the Purchasers) that as at the date hereof:

(a) the Corporation has been duly incorporated, continued or amalgamated and is validly existing under the laws of its governing jurisdiction, has all requisite power and authority and is duly qualified to carry on its business as now conducted and as presently proposed to be conducted by it, and to own, lease or operate its properties and assets and the Corporation has all requisite corporate power and authority to enter into and carry out its obligations under this Agreement and the Subscription Agreements;

(b) each Subsidiary has been duly incorporated, continued or amalgamated and is validly existing under the laws of its governing jurisdiction, has all requisite power and authority and is duly qualified to carry on its business as now conducted and as presently proposed to be conducted by it, and to own, lease or operate its properties and assets;

(c) the Corporation does not beneficially own or exercise control or direction over 10% or more of the outstanding voting shares of any company other than the Subsidiaries and the Corporation beneficially owns, directly or indirectly, 100% of the issued and outstanding shares in the capital of the Subsidiaries, which securities are issued as fully paid and non-assessable shares, free and clear of, except as otherwise entered into in connection with the Senior Indebtedness, all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no person, firm or corporation has any agreement, option, right or privilege (whether present or future, contingent or absolute, pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or the Subsidiaries any interest in any of the shares or for the issue or allotment of any unissued shares in the capital of the Subsidiaries or any other security convertible into or exchangeable for any such shares;

(d) no person holds any securities convertible or exchangeable into securities of the Corporation or the Subsidiaries or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of the Corporation or any of the Subsidiaries, other than as set forth in Schedule “A”;

(e) other than the Senior Indebtedness, no agreement is in force or effect which in any manner affects the voting or control of any of the securities of the Corporation or the Subsidiaries;

(f) all consents, approvals, permits, authorizations or filings as may be required under Applicable Securities Laws necessary for the execution and delivery of this Agreement and the Subscription Agreements and the issuance of the Offered Shares and the completion of the transactions contemplated hereby have been made or obtained, as applicable, subject to certain specified conditions and exceptions contained in the Exchange Letter and the Corporation filing with the Securities Commissions, within 10 days from the date of the sale of the Offered Shares, of a Form 45-106F1 (and, if applicable, a Form 45-106F6) prepared and executed in accordance with Applicable Securities Laws and accompanied by the prescribed fees and fee checklist form, if any, the Corporation filing with the U.S. Securities and Exchange Commission a notice on Form D within 15 days after the first sale of Offered Shares in the United States and all amendments required to be filed as a result of subsequent sales of Offered Shares in the United States, and the Corporation filing within prescribed time periods any notices required to be filed with state securities authorities under applicable blue sky laws in connection with any securities sold pursuant to Rule 506(b) of Regulation D promulgated under the U.S. Securities Act, to the extent applicable;

(g) the currently issued and outstanding Common Shares are listed and posted for trading on the Exchange and no order ceasing or suspending trading in any securities of the Corporation or prohibiting the trading of any of the Corporation’s issued securities has been issued and no proceedings for such purpose are pending or, to the knowledge of the Corporation, threatened;

(h) other than in relation to the Valeant Claim, there is no action, suit, proceeding, inquiry or investigation before or brought by any person, court or governmental agency or body, domestic or foreign, now pending, or threatened against or affecting the Corporation or any of the Subsidiaries;

(i) the definitive form of certificate representing the Common Shares is in proper form under the laws of the Province of Ontario and complies with the requirements of the Exchange and does not conflict with the constating documents of the Corporation;

(j) the Financial Statements: (i) have been prepared in accordance with the requirements of IFRS, consistently applied throughout the period referred to therein; (ii) contain no misrepresentation and present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise) of the Corporation as at such dates and results of operations of the Corporation for the periods then ended; and (iii) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation, and there has been no change in accounting policies or practices of the Corporation since the date of the Financial Statements;

(k) neither the Corporation nor any Subsidiary has declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its shares 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;

(l) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom 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 each of the Corporation and the Subsidiaries have been paid; all tax returns, declarations, remittances and filings required to be filed by each of the Corporation and 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 knowledge of the Corporation, no examination of any tax return of the Corporation or any Subsidiary is currently in progress, other than normal course ongoing audits which are underway in connection with the Corporation's 2010 and 2011 income tax return and 2012 SRED claims, and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by the Corporation or any Subsidiary;

(m) the auditors of the Corporation who audited the Audited Financial Statements and who provided their audit report thereon are, to the knowledge of the Corporation, independent public accountants as required under Applicable Securities Laws and have not been replaced as the Corporation's independent public accountants;

(n) there has never been a reportable disagreement (within the meaning of National Instrument 51-102 – *Continuous Disclosure*) with the present or former auditors of the Corporation;

(o) each of the Corporation and the Subsidiaries maintains a system of internal accounting controls that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets; (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and to maintain accountability for assets; (iii) are designed to provide reasonable assurance that receipts and expenditures are being made only in accordance with authorizations of management; and (iv) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the annual financial statements or interim financial statements;

(p) the Corporation is in compliance with the applicable certification requirements contained in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators with respect to the Corporation's annual and interim filings with Canadian securities regulators and in accordance with the provisions of IFRS;

(q) the audit committee of the Corporation is comprised and operates in accordance with the requirements of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, each of whom is "independent" within the meaning of such instrument;

(r) other than in relation to the Valeant Claim, no legal or governmental proceedings are pending to which the Corporation or a Subsidiary is a party or to which any of their respective properties are subject that would result individually or in the aggregate in a Material Adverse Change and, to the knowledge of the Corporation, no such proceedings have been threatened against or are contemplated with respect to the Corporation or any Subsidiary or any of their respective properties;

(s) each of the Corporation and the Subsidiaries has conducted and is conducting its business in material compliance with all Applicable Laws, and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which would have a Material Adverse Effect;

(t) the Corporation is a reporting issuer under Applicable Securities Laws in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, the Corporation is not in default in any material respect of any requirement of Applicable Securities Laws of the Canadian Offering Jurisdictions nor is it included on a list of defaulting reporting issuers maintained by the Securities Commissions. In particular, without limiting the foregoing, the Corporation is in compliance at the date hereof with its obligations to make timely disclosure of all material changes relating to it and, other than in respect of material change reports previously filed on a confidential basis and thereafter made public or material change reports previously filed on a confidential basis and in respect of which no material change ever resulted, no such disclosure has been made on a confidential basis and there is no material change relating to the Corporation which has occurred and with respect to which the requisite material change statement has not been filed, except to the extent that the Offering constitutes a material change;

(u) the execution and delivery of each of this Agreement and the Subscription Agreements and the compliance with all provisions contemplated thereunder and the offering and sale of the Offered Shares does not and will not:

   (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, securities regulatory authority or other third party, except: (A) such as have been obtained; or (B) such as are set out in the Exchange Letter;

   (ii) result in a breach of or default under, nor create a state of facts which, after notice or lapse of time or both, would result in a breach of or default under, nor conflict with:

(A) any of the terms, conditions or provisions of the constating documents or resolutions of the shareholders, directors or any committee of directors of the Corporation or a Subsidiary;

(B) any Applicable Law applicable to the Corporation or a Subsidiary, including, without limitation, Applicable Securities Laws, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Corporation or any Subsidiary; or

(C) any Material Agreement; and

(iii) give rise to any lien, charge or claim in or with respect to the properties or assets now owned or hereafter acquired by the Corporation or any Subsidiary or the acceleration of or the maturity of any debt under any indenture, mortgage, lease, agreement or instrument binding or affecting the Corporation or any Subsidiary or any of their respective properties;

(v) upon the execution and delivery thereof, each of this Agreement and the Subscription Agreements shall constitute a valid and binding obligation of the Corporation and each shall be enforceable against the Corporation in accordance with its terms, except as enforcement thereof 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 Laws;

(w) at the Closing Time, all necessary corporate action will have been taken by the Corporation to validly issue the Offered Shares as fully paid and non-assessable securities in the capital of the Corporation;

(x) the authorized capital of the Corporation consists of an unlimited number of Common Shares without par value of which (prior to giving effect to the Offering) 163,126,438 Common Shares are issued and outstanding as fully paid and non-assessable as at the date hereof;

(y) the Disclosure Documents are, as of the date of such information, true and correct in all material respects, and no fact or facts have been omitted therefrom which would make such information misleading;

(z) the Corporation intends to use the proceeds of the Offering to repay a portion of the First Generation Indebtedness outstanding as at the date hereof in relation to the acquisition of the Canadian rights associated with the drug Estrace® from Shire Plc, as well as for general corporate and working capital purposes;

(aa) except as contemplated hereby (including any selling agent retained by the Underwriter pursuant to subsection 2(b)), there is no person acting or purporting to act at the request of or on behalf of the Corporation who is entitled to any brokerage or agency fee in connection with the transactions contemplated herein;

(bb) all disclosure filings required to be made by the Corporation pursuant to Applicable Securities Laws have been made and such disclosure and filings did not contain a misrepresentation as at the respective dates thereof;

(cc) to the knowledge of the Corporation, there is no legislation, or proposed legislation (published by a legislative body), which it anticipates will constitute a Material Adverse Effect;

(dd) each of the Corporation and the Subsidiaries is in compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages;

(ee) there has not been and there is not currently any labour disruption or conflict which is or could reasonably be expected to have a Material Adverse Effect;

(ff) except for the First Generation Indebtedness, neither the Corporation nor any of the Subsidiaries has any loans or other indebtedness outstanding which have been made to any of their respective shareholders, directors, officers or employees, past or present, any known holder of more than 10% of any class of shares of the Corporation or any of the Subsidiaries, or any person not dealing at arm's length with the Corporation or any of the Subsidiaries that are currently outstanding;

(gg) except for: (i) the First Generation Indebtedness; (ii) those transactions described under the heading "Interests of Informed Persons in Material Transactions" in the management information circular of the Corporation dated May 8, 2014; and (iii) the anticipated repayment of a portion of the First Generation Indebtedness with the net proceeds of the Offering, none of the directors, officers or employees of the Corporation or any Subsidiary, any known holder of more than 10% of any class of shares of the Corporation or any Subsidiary, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the *Securities Act* (Ontario)), has or had any material interest, direct or indirect, in any transaction or any proposed transaction that is or was material to the Corporation, any Subsidiary or any of their respective businesses;

(hh) the Corporation maintains insurance covering the properties, operations, personnel and businesses of the Corporation and the Subsidiaries as the Corporation reasonably deems adequate; such insurance insures against such losses and risks to an extent which is adequate in accordance with customary industry practice to protect the Corporation and the Subsidiaries and their respective businesses; all such insurance is fully in force on the date hereof and will be fully in force on the Closing Date; the Corporation has no reason to believe that it will not be able to renew any such insurance as and when such insurance expires;

(ii) each of the Corporation and the Subsidiaries is in compliance with all Applicable Laws, permits, licenses, certificates or approvals having the force of law, domestic or foreign (the "**Environmental Laws**") 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 "**Hazardous Substances**");

(jj) each of the Corporation and the Subsidiaries has obtained 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 Corporation and each of the Subsidiaries and each Environmental Permit is valid, subsisting and in good standing and neither the Corporation nor the Subsidiaries is in default or breach of any Environmental Permit and no proceeding is pending or, to the knowledge of the Corporation threatened, to revoke or limit any Environmental Permit;

(kk) neither the Corporation nor any of the Subsidiaries has used, except in 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;

(ll) neither the Corporation nor any of the Subsidiaries (including, if applicable, any predecessor companies) has received any notice of, or been prosecuted for an offence alleging, non-compliance with any Environmental Law, and neither the Corporation nor any of the Subsidiaries (including, if applicable, any predecessor companies) has settled any allegation of non-compliance short of prosecution. There are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation or any of the Subsidiaries, nor has the Corporation or any Subsidiary received notice of any of the same;

(mm) neither the Corporation nor any of the Subsidiaries has 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 Environmental Laws. Neither the Corporation nor any Subsidiary has received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites;

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

(oo) all applicable workers' compensation and health and safety and workplace laws, regulations and policies have been duly complied with by each of the Corporation and the Subsidiaries;

(pp) neither the Corporation nor any Subsidiary, nor to the knowledge of the Corporation, any director, officer, agent, employee or other person associated with or acting on behalf of the Corporation or any Subsidiary has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the *Corruption of Foreign Officials Act* (Canada); or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

(qq) none of the Corporation or any Subsidiary or, to the knowledge of the Corporation, any director, officer, agent, employee or affiliate of the Corporation or any Subsidiary is currently subject to any United States sanctions administered by OFAC, and the Corporation will not directly or indirectly use any of the Gross Proceeds, or lend, contribute or otherwise make available such proceeds to any joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any United States sanctions administered by OFAC;

(rr) each of the Corporation and the Subsidiaries holds all of the permits, licenses and like authorizations necessary for it to carry on its business in each jurisdiction where such business is carried on that are material to the conduct of the business of each of the Corporation and the Subsidiaries (as such business is currently conducted), including, but not limited to, permits, licenses and like authorizations from Regulatory Authorities (collectively, the "**Material Permits**"); all such Material Permits which are so required are valid and subsisting and in good standing and none of the same contains any term, provision, condition or limitation which has or would reasonably be expected to affect or restrict in a materially adverse manner the operation of the business of the Corporation or a Subsidiary, taken as a whole, as now carried on or proposed to be carried on, as set out in the Disclosure Documents, and neither the Corporation nor any Subsidiary is in breach thereof or in default with respect to filings to be effected or conditions to be fulfilled in order to maintain such Material Permits in good standing;

(ss) each of the Corporation and the Subsidiaries is in compliance with each Material Permit held by it and is not in violation of, or in default under, Applicable Laws of regulatory bodies;

(tt) the clinical, pre-clinical and other studies and tests conducted by or on behalf of or sponsored by each of the Corporation and the Subsidiaries that are described or referred to in the Disclosure Record (collectively, the "**Clinical Trials**") were and, if still pending, are being conducted in accordance with all Applicable Laws, including Applicable Laws administered by Regulatory Authorities. The descriptions of the results of the Clinical Trials described or referred to in the Disclosure Record are accurate and complete in all material respects and fairly present the published data derived from the Clinical Trials and the Corporation has no knowledge of other studies or tests the results of which are materially inconsistent with or otherwise call into question the results described or referred to in the Disclosure Record. Neither the Corporation nor any Subsidiary has received any notices or written correspondence from any Regulatory Authority with respect to any Clinical Trial requiring the termination or suspension of such Clinical Trial;

(uu) each of the Corporation and the Subsidiaries has filed with the applicable Regulatory Authority all material filings, declarations, listings, registrations, reports or submissions that are required to be so filed. All such filings were in material compliance with Applicable Laws when filed and no deficiencies have been asserted by any Regulatory Authority with respect to any such filings, declarations, listings, registrations, reports or submissions;

(vv) each of the Corporation and the Subsidiaries, as applicable, is the sole legal and beneficial owner of, has good and marketable title to, and owns all right, title and interest in and to all Corporation IP free and clear of all encumbrances, charges, covenants, conditions, options to purchase and restrictions or other adverse claims or interest of any kind or nature, except in connection with the Senior Indebtedness and pursuant to the terms and conditions of the M&P Agreement, and subject to pending releases of any encumbrances under the General Electric Capital Agreement, and the Corporation has no knowledge of any claim of adverse ownership in respect thereof. No consent of any person is necessary to make, use, reproduce, license, sell, modify, update, enhance or otherwise exploit any Corporation IP and none of the Corporation IP comprises an improvement to Licensed IP that would give any person any rights to the Corporation IP, including, without limitation, rights to license the Corporation IP;

(ww) neither the Corporation nor any Subsidiary has received any notice or claim (whether written, oral or otherwise) challenging any of the Corporation's and/or a Subsidiary's ownership or right to use any of the Corporation IP or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto, nor, to the knowledge of the Corporation, is there a reasonable basis for any claim that any person other than each of the Corporation and the Subsidiaries has any claim of legal or beneficial ownership or other claim or interest in any of the Corporation IP;

(xx) all applications for registration of any Registered Corporation IP are recorded in the name of the Corporation or a Subsidiary, except certain Registered Corporation IP acquired by the Corporation through the Keldmann Agreement (where the absence of such change in recording does not have a Material Adverse Effect), in good standing and have been filed in a timely manner in the appropriate offices to preserve the rights thereto and, in the case of a provisional application, the Corporation confirms that all right, title and interest in and to the invention(s) disclosed in such application have been assigned in writing (without any express right to revoke such assignment) to the Corporation or a Subsidiary. To the knowledge of the Corporation, there has been no public disclosure, sale or offer for sale of any Corporation IP anywhere in the world that may prevent the valid issue of all available Intellectual Property rights in such Corporation IP. All material prior art or other information has been disclosed to the appropriate offices as required in accordance with Applicable IP Laws in the jurisdictions where the applications are pending;

(yy) all registrations of Registered Corporation IP are recorded in the name of the Corporation or a Subsidiary in the appropriate offices to preserve the rights thereto, except certain Registered Corporation IP acquired by the Corporation through the Keldmann Agreement (where the absence of such change in recording does not have a Material Adverse Effect), and in good standing. All such registrations have been filed, prosecuted and obtained in accordance with all Applicable IP Laws and are currently in effect and in compliance with all Applicable IP Laws. To the knowledge of the Corporation, no registration of Registered Corporation IP has expired, become abandoned, been cancelled or expunged, been dedicated to the public, or has lapsed for failure to be renewed or maintained;

(zz) the conduct of the business of each of the Corporation and the Subsidiaries (including, without limitation, the use or other exploitation of the Corporation IP by the Corporation and/or a Subsidiary or other licensees) has not, does not and will not infringe, violate, misappropriate or otherwise conflict with any Intellectual Property right of any person;

(aaa) neither the Corporation nor any Subsidiary is a party to any action or proceeding, nor, to the knowledge of the Corporation, is or has any action or proceeding been threatened that alleges that any current or proposed conduct of its business or the business of the Subsidiaries (including, without limitation, the use or other exploitation of any Corporation IP by the Corporation or a Subsidiary or any customers, distributors or other licensees) has or will infringe, violate or misappropriate or otherwise conflict with any Intellectual Property right of any person;

(bbb) to the knowledge of the Corporation, no person has interfered with, infringed upon, misappropriated, illegally exported, or violated any rights with respect to the Corporation IP;

(ccc) each of the Corporation and the Subsidiaries has entered into valid and enforceable written agreements pursuant to which each of the Corporation and the Subsidiaries has been granted all licenses and permissions to use, reproduce, sub license, sell, modify, update, enhance or otherwise exploit the Licensed IP to the extent required to operate all aspects of the business of each of the Corporation and the Subsidiaries currently and proposed to be conducted (including, if required, the right to incorporate such Licensed IP into the Corporation IP). All license agreements in respect of the Licensed IP are in full force and effect and none of the Corporation or a Subsidiary, or to the knowledge of the Corporation, any other person, is in default of its obligations thereunder;

(ddd) to the extent that any of the Corporation IP is licensed or disclosed to any person or any person has access to such Corporation IP (including, without limitation, any employee, officer, shareholder or consultant of the Corporation or a Subsidiary), each of the Corporation and the Subsidiaries has entered into a valid and enforceable written agreement which contains terms and conditions prohibiting the unauthorized use, reproduction, disclosure, reverse engineering or transfer of such Corporation IP by such person. All such agreements are in full force and effect and none of the Corporation or any Subsidiary, or to the knowledge of the Corporation, any other person, is in default of its obligations thereunder;

(eee) each of the Corporation and the Subsidiaries has taken all actions that are contractually obligated to be taken and all actions that are customary and reasonable to protect the confidentiality of the Corporation IP;

(fff) to the knowledge of the Corporation, it is not, and will not be, necessary for the Corporation or any Subsidiary to utilize any Intellectual Property owned by or in possession of any of the employees (or people the Corporation or a Subsidiary currently intends to hire) made prior to their employment with the Corporation or a Subsidiary in violation of the rights of such employee or any of his or her prior employers;

(ggg) neither the Corporation nor any of the Subsidiaries has received any advice or any opinion that any of the Corporation IP is invalid or unregistrable or unenforceable, in whole or in part;

(hhh) neither the Corporation nor any Subsidiary has received any grant relating to research and development which is subject to repayment in whole or in part or to conversion to debt upon sale of any Common Shares or which may affect the right of ownership of the Corporation or any Subsidiary in the Corporation IP;

(iii) each of the Corporation and the Subsidiaries has and enforces a policy requiring each employee and consultant to execute a non-disclosure agreement and all current employees and consultants of each of the Corporation and the Subsidiaries have executed such agreement and to the knowledge of the Corporation, all past employees and consultants of the Corporation and the Subsidiaries have executed such agreement;

(jjj) all of the present and, to the knowledge of the Corporation, past employees of the Corporation and the Subsidiaries and all of the present and, to the knowledge of the

Corporation, past consultants, contractors and agents of the Corporation and the Subsidiaries performing services relating to the development, modification or support of the Corporation IP, have entered into a written agreement assigning to the Corporation and/or the Subsidiaries all right, title and interest in and to all such Intellectual Property and waiving any moral rights thereto;

(kkk) any and all fees or payments required to keep the Corporation IP and the Licensed IP in force or in effect have been paid;

(lll) there is no claim of infringement or breach by the Corporation or a Subsidiary of any industrial or Intellectual Property rights of any other person, nor has the Corporation or a Subsidiary received any notice or threat from any such third party, nor is the Corporation or a Subsidiary otherwise aware that the use of the business names, trademarks, service marks and other industrial or Intellectual Property of the Corporation or a Subsidiary infringes upon or breaches any industrial or Intellectual Property rights of any other person;

(mmm) to the knowledge of the Corporation, there are no Intellectual Property disputes (or any negotiations, agreements or communications relating to any such disputes) between the Corporation or any Subsidiary and any other persons relating to or potentially relating to the business of the Corporation or any Subsidiary;

(nnn) the Corporation does not have knowledge of any reason as a result of which the Corporation or any Subsidiary is not entitled to make use of and commercially exploit the Corporation IP. With respect to each license or agreement by which the Corporation or any Subsidiary has obtained the rights to exploit, in any way, the Licensed IP rights of any other person or by which the Corporation or a Subsidiary has granted to any third party the right to so exploit such Licensed IP:

(i) such license or agreement is in full force and effect and is legal, valid, binding and enforceable in accordance with its terms, except to the extent that enforceability may be limited by: (a) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally; or (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and represents the entire agreement between the parties thereto with respect to the subject matter thereof, and no event of default has occurred and is continuing under any such license or agreement;

(ii) (a) neither the Corporation nor any Subsidiary has received any notice of termination or cancellation under such license or agreement that has not been withdrawn, cancelled or otherwise rescinded, and no party thereto has any right of termination or cancellation thereunder except in accordance with its terms; (b) neither the Corporation nor any Subsidiary has received any notice of a breach or default under such license or agreement which breach or default has not been cured; and (c) neither the Corporation nor any Subsidiary has granted to any other person any rights adverse to, or in conflict with, such license or agreement; and

(iii) neither the Corporation nor any Subsidiary has knowledge of any other party to such license or agreement that is in breach or default thereof, and is not aware of any event that has occurred that, with notice or lapse of time would constitute such a breach or default or permit termination, modification or acceleration under such license or agreement;

(ooo) with respect to each premises which is material to each of the Corporation and the Subsidiaries and which each of the Corporation and the Subsidiaries occupies as tenant (collectively, the "**Leased Premises**"), each of the Corporation and the Subsidiaries occupies the Leased Premises and has the right to occupy and use the Leased Premises and each of the leases pursuant to which each of the Corporation and the Subsidiaries occupies the Leased Premises is in good standing and in full force and effect;

(ppp) the Transfer Agent, at its principal office in the City of Toronto, is the duly appointed registrar and transfer agent of the Corporation with respect to the Common Shares; and

(qqq) the minute books and records of each of the Corporation and the Subsidiaries made available to counsel for the Underwriter in connection with its due diligence investigations of the Corporation and each of the Subsidiaries are all of the minute books and records of the Corporation and each of the Subsidiaries since July 18, 2012, contain full, true and correct copies of the constating documents of the Corporation and each of the Subsidiaries and contain copies of all minutes of all meetings and all consent resolutions of the directors, committees of directors and shareholders of the Corporation and each of the Subsidiaries since July 18, 2012, and all such meetings were duly called and properly held and all such resolutions have been properly adopted.

5. Covenants of the Corporation

The Corporation hereby covenants to and with the Underwriter (on its own behalf and on behalf of the Purchasers) that:

(a) the Corporation will use its commercially reasonable efforts to maintain its status as a reporting issuer not in default in each of the Offering Jurisdictions in which it is a reporting issuer or the equivalent for a period of twelve months from the Closing Date; provided that the foregoing shall not prevent the Corporation from pursuing, participating in or consummating any transaction involving a change of control that would result in the Corporation ceasing to be a reporting issuer;

(b) the Corporation will use its commercially reasonable efforts to maintain the listing of the Common Shares on the Exchange to the date which is twelve months following the Closing Date provided that the foregoing shall not prevent the Corporation from pursuing, participating in or consummating any transaction involving a change of control that would result in the Corporation ceasing to maintain the listing of the Common Shares on the Exchange;

(c) the Corporation will ensure that the Offered Shares will be listed and posted for trading on the Exchange upon their issue;

(d) from the date hereof until 120 days following the Closing Date, the Corporation shall not, without the prior written consent of the Underwriter, such consent not to be unreasonably withheld, offer, announce the offering of, or make any agreement to issue any Common Shares or securities convertible or exercisable into Common Shares except in conjunction with: (i) the issuance of up to 3,500,000 warrants to purchase Common Shares to MidCap

Financial, LLC and/or MidCap Funding V, LLC; (ii) the issuance of a convertible promissory note to First Generation Capital Inc. (or an affiliate thereof) with a principal amount of up to US$25,000,000; (iii) the exercise of stock options or normal grants of stock options to new officers, employees or directors; and (iv) the exercise of outstanding warrants or convertible debt (including the warrants and convertible debt referred to in items (i) and (ii));

(e) the Corporation shall, as soon as practicable, use its commercially reasonable best efforts to receive all necessary consents to the transactions contemplated herein;

(f) the Corporation shall file with the Securities Commissions, within 10 days from the date of the sale of the Offered Shares, of a Form 45-106F1 (and, if applicable, a Form 45-106F6) prepared and executed in accordance with Applicable Securities Laws and accompanied by the prescribed fees and fee checklist form, if any; and

(g) the Corporation shall file with the U.S. Securities and Exchange Commission a notice on Form D within 15 days after the first sale of Offered Shares in the United States and all amendments required to be filed as a result of subsequent sales of Offered Shares in the United States, and the Corporation shall file within prescribed time periods any notices required to be filed with state securities authorities under applicable blue sky laws in connection with any securities sold pursuant to Rule 506(b) of Regulation D promulgated under the U.S. Securities Act, to the extent applicable.

6. **Conditions to Closing**

The obligation of the Underwriter to purchase the Offered Shares at the Closing Time shall be subject to the satisfaction of the following conditions, which conditions may be waived in writing in whole or in part by the Underwriter:

(a) the Corporation will have made and/or obtained the necessary filings, approvals, consents and acceptances of the appropriate regulatory authorities required to be made or obtained by the Corporation in connection with the sale of the Offered Shares to the Purchasers prior to the Closing Time as herein contemplated, it being understood that the Underwriter shall do all that is reasonably required to assist the Corporation to fulfil this condition, subject to certain specified conditions and exceptions contained in the Exchange Letter;

(b) the Corporation's board of directors shall have authorized and approved the execution and delivery of this Agreement, the acceptance of the Subscription Agreements, the allotment, issuance and delivery of the Offered Shares, and all matters relating thereto;

(c) the Corporation shall have accepted one or more subscriptions for Offered Shares from the Purchasers;

(d) the Underwriter shall have received opinions, dated the Closing Date, of the Corporation's counsel in Ontario, and local counsel in any other jurisdiction where the Offered Shares are sold (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 Corporation executed on its behalf by a senior officer of the Corporation and on certificates of the Transfer Agent, as to the issued capital of the Corporation; and (ii) as to matters of fact not independently established, on certificates of the Corporation's auditors or a public official) with respect to the following matters:

(i) as to the incorporation and subsistence of the Corporation under the laws of its governing jurisdiction and as to the corporate power of the Corporation to carry out its obligations under this Agreement and to issue the Offered Shares;

(ii) as to the authorized and issued capital of the Corporation as of the close of business on the Business Day preceding the Closing Date;

(iii) that the Corporation has all requisite corporate power and authority under the laws of its governing jurisdiction to carry on its business as presently carried on and to own or lease its properties and assets;

(iv) that none of the execution and delivery of this Agreement, the Subscription Agreements, the performance by the Corporation of its obligations hereunder and thereunder, or the sale or issuance of the Offered Shares will conflict with or result in any breach or violation of any of the terms, conditions or provisions of the: (A) articles or by-laws of the Corporation; (B) any resolutions of the board of directors or the shareholders of the Corporation; or (C) the *Business Corporations Act* (Ontario) or other applicable laws of the Province of Ontario or any federal law of Canada applicable therein;

(v) that the Corporation has taken all necessary corporate action to authorize the execution and delivery of each of this Agreement and the Subscription Agreements, and that this Agreement and the Subscription Agreements constitute a valid and legally binding obligation of the Corporation enforceable against it in accordance with its terms, subject to customary exceptions;

(vi) that the Offered Shares have been duly authorized and validly allotted for issuance by the Corporation and such Offered Shares, and upon receipt by the Corporation of the consideration therefor in accordance with the terms of this Agreement, will be outstanding as fully paid and non-assessable securities in the capital of the Corporation;

(vii) that the issuance and sale by the Corporation of the Offered Shares to the Purchasers in accordance with the terms and conditions of the Subscription Agreements and this Agreement are exempt from the prospectus requirements of applicable securities laws of the Canadian Offering Jurisdictions and no documents are required to be filed (other than specified forms accompanied by requisite filing fees), proceedings taken or approvals, permits, consents or authorizations obtained under applicable securities laws in the Canadian Offering Jurisdictions to permit such issuance and sale;

(viii) that no other documents will be required to be filed, and no other proceeding, approval, consent or authorization is required to be made, taken or obtained pursuant to applicable securities laws in the Canadian Offering Jurisdictions in connection with the first trade of the Offered Shares by a holder resident in the Canadian Offering Jurisdictions, provided that the conditions of Section 2.5(2) of National Instrument 45-102 – *Resale of Securities* are satisfied;

(ix) the form of share certificate representing the Common Shares has been duly approved and adopted by the board of directors of the Corporation and complies in all material respects with the constating documents of the Corporation, the *Business Corporations Act* (Ontario) and the requirements of the Exchange;

(x) that the Offering has been conditionally accepted by the Exchange and that the Offered Shares have been conditionally approved for listing on the Exchange subject to the satisfaction by the Corporation of such other conditions of the Exchange as set out in the Exchange Letter; and

(xi) as to such other matters as the Underwriter's legal counsel may reasonably request prior to the Closing Time;

(e) the Underwriter shall have received favourable legal opinions by local counsel in the governing jurisdiction of each Subsidiary, in form and substance satisfactory to the Underwriter acting reasonably, dated the Closing Date, and with respect to the following matters:

(i) the existence of the Subsidiary under the laws of its governing jurisdiction;

(ii) as to the registered ownership of the issued and outstanding shares of the Subsidiary; and

(iii) that the Subsidiary has all requisite corporate power under the laws of its governing jurisdiction to carry on its business as presently carried on and as proposed to be carried on and to own or lease its properties and assets;

(f) if Purchasers are located in the United States, the Underwriter shall have received a favourable legal opinion of U.S. counsel to the Corporation in form and substance reasonably satisfactory to the Underwriter that the offer and sale of the Offered Shares pursuant to this Agreement in the United States does not require registration under the U.S. Securities Act;

(g) the Underwriter shall have received an incumbency certificate dated the Closing Date including specimen signatures of the President and Chief Executive Officer, the Chief Financial Officer and any other officer of the Corporation signing this Agreement or any document delivered hereunder;

(h) the Underwriter shall have received a certificate, dated the Closing Date, of two senior officers of the Corporation that, to the best of their knowledge, information and belief, after due enquiry and without personal liability:

(i) the representations, warranties and covenants of the Corporation set forth in this Agreement and the Subscription Agreements are true and correct at the Closing Time, as if made at such time and the Corporation has performed or satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time;

(ii) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation, or prohibiting or restricting the distribution of the Offered Shares has been made, or proceedings have been announced, commenced or threatened for the making of any such order, ruling or determination by any securities commission or similar regulatory authority or by any other competent authority, and has not been rescinded, revoked or withdrawn, and no proceedings for such purpose are pending, contemplated or threatened;

(iii) the Corporation has made and/or obtained, at or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Corporation is a party or by which it is bound in respect of the execution and delivery of this Agreement and the Subscription Agreements, the sale of the Offered Shares and the consummation of the other transactions contemplated hereby (subject to completion of filings with certain regulatory authorities and the Exchange following the Closing Date);

(iv) the constating documents of the Corporation delivered at Closing are full, true and correct copies, unamended, and in effect on the date thereof;

(v) the minutes or other records of various proceedings and actions of the Corporation's board of directors relating to the Offering and delivered at Closing are full, true and correct copies thereof and have not been modified or rescinded as of the date thereof;

(vi) since March 31, 2014, there has been no Material Adverse Change; and

(vii) none of the documents filed with applicable securities regulatory authorities since March 31, 2014 contained a misrepresentation as at the time the relevant document was filed that has not since been corrected;

(i) the Corporation shall not have received any notice from the Exchange that the Offered Shares shall not be accepted for listing on the Exchange;

(j) that final acceptance of the Offering by the Exchange is subject only to the official notices of issuance and fulfilment of such other conditions of the Exchange as set out in the Exchange Letter;

(k) the Underwriter shall have received a certificate of status (or equivalent) in respect of each of the Corporation and the Subsidiaries;

(l) the Underwriter shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at a date no more than one Business Day prior to the Closing Date;

(m) the Underwriter shall have conducted all due diligence inquiries and investigations and not identified any Material Adverse Changes or misrepresentations or any items materially adversely affecting the Corporation's or a Subsidiary's affairs which exist as of the date hereof but which have not been widely disseminated to the public;

(n) contemporaneously with Closing, each of: (i) the directors and officers of the Company, and (ii) Ian Ihnatowycz (and any associates or affiliates holding Common Shares) and (iii) West Face Capital Inc. and its affiliates shall agree, in a lock-up agreement to be executed concurrently with the Closing, that for a period of 120 days from the Closing

Date, each will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of any Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Corporation; and

(o) the Underwriter shall have received confirmation from the Corporation that the Corporation is not on the defaulting issuer's list (or equivalent) maintained by the Securities Commissions in the Offering Jurisdictions in which the Corporation is a reporting issuer.

It is understood that the Underwriter may waive in whole or in part or extend the time for compliance with any of such terms and conditions without prejudice to its rights in respect of any other of the foregoing terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriter any such waiver or extension must be in writing and signed by the Underwriter.

The Corporation agrees that the aforesaid legal opinions and certificate to be delivered at the Closing Time will also be addressed to the Purchasers and that the Underwriter may deliver copies thereof to such persons.

7. Conflict of Interest

The Corporation acknowledges that the Underwriter and its 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 Underwriter 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 Corporation agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Corporation's interests under this Agreement.

8. Fiduciary

The Corporation hereby acknowledges that the Underwriter is acting solely as underwriter in connection with the offer and sale of the Offered Shares. The Corporation further acknowledges that the Underwriter is 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 Underwriter act or be responsible as a fiduciary to the Corporation, its management, shareholders or creditors or any other person in connection with any activity that the Underwriter may undertake or have undertaken in furtherance of such offer and sale of the Corporation's securities, either before or after the date hereof. The Underwriter hereby expressly disclaims any fiduciary or similar obligations to the Corporation, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Corporation hereby confirms its understanding and agreement to that effect. The Corporation and the Underwriter 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 Underwriter to the

Corporation regarding such transactions, including but not limited to any opinions or views with respect to the price or market for the Corporation's securities, do not constitute advice or recommendations to the Corporation. The Corporation and the Underwriter agree that the Underwriter is acting as principal and not the agent or fiduciary of the Corporation and the Underwriter has not, and the Underwriter will not assume, any advisory responsibility in favour of the Corporation with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the Corporation on other matters). The Corporation hereby waives and releases, to the fullest extent permitted by law, any claims that the Corporation may have against the Underwriter with respect to any breach or alleged breach of any fiduciary duty to the Corporation in connection with the transactions contemplated by this Agreement.

9. **Termination of Obligations**

The Underwriter may terminate its obligations on or before Closing if, commencing on the date hereof and prior to the Closing Time:

(a) there shall have occurred any material change or a change in any material fact or new material fact shall arise or there should be discovered any previously undisclosed material fact required to be disclosed relating to the Corporation or any Subsidiary (other than a change relating solely to this Agreement) and, in each case, that has or would be expected to have, in the sole opinion of the Underwriter, acting reasonably, a Material Adverse Change or a Material Adverse Effect, including such a change or effect on the market price or the value of the securities of the Corporation;

(b) any inquiry, action, suit, proceeding or investigation (whether formal or informal) (including matters of regulatory transgression or unlawful conduct), is commenced, announced or threatened by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the Exchange or any securities regulatory authority having jurisdiction against the Corporation or any one of the officers or directors of the Corporation or any of its principal shareholders or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the Exchange or securities commission which involves a finding of wrong-doing; which, in the opinion of the Underwriter, acting reasonably, prevents or restricts trading in or the distribution of the Offered Shares or adversely affects or might reasonably be expected to adversely affect the market price or value of the shares of the Corporation; or

(c) there should develop, occur or come into effect or existence any event, action, state, condition (including terrorism or accident) or major financial occurrence or catastrophe, war or act or terrorism of national or international consequence or a new or change in any law or regulation which, in the sole opinion of the Underwriter, acting reasonably, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets, or the business, operations or affairs of the Corporation and the Subsidiaries, taken as a whole;

(d) the Underwriter, acting reasonably, determines that the Corporation is in breach of a material term, condition or covenant of the Letter Agreement or this Agreement or any representation or warranty given by the Corporation in the Letter Agreement or in this Agreement becomes or is false in any material respect; or

(e) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Common Shares or any other securities of the Corporation is made or threatened by a securities regulatory authority.

Upon the occurrence of any of the foregoing events, the Underwriter shall be entitled to terminate and cancel its obligations to the Corporation hereunder.

Any termination pursuant to the foregoing provisions shall be effected by notice in writing delivered by the Underwriter to the Corporation at its address as herein set out. Notwithstanding the giving of any notice of termination hereunder, the expenses agreed to be paid by the Corporation shall be paid by the Corporation as herein provided and the obligations of the Corporation under Sections 11 and 12 shall survive.

In the event of a termination pursuant to and in accordance with the provisions hereof and notice having been given as aforesaid, there will be no further liability on the part of the Underwriter under this Agreement. The rights of the Underwriter to terminate its obligations hereunder are in addition to, and without prejudice to, any other remedies they may have.

10. **Closing**

Closing will be completed at the offices of Baker & McKenzie LLP, or at such other place or places as may be agreed upon by the Corporation and the Underwriter, at the Closing Time, provided that if the Corporation has not been able to comply with any of the conditions to Closing set forth under "Conditions to Closing" prior to the Closing Time, the Closing Date may be extended by mutual agreement of the Corporation and the Underwriter, failing which, the respective obligations of the parties will terminate without further liability or obligation except as set out under Sections 11 and 12.

At or prior to the Closing Time, the Corporation shall duly and validly deliver to the Underwriter:

(a) certificates in definitive form and/or book-entry only securities, duly registered as the Underwriter may direct, representing the Offered Shares;

(b) the requisite legal opinions and certificates as contemplated in Section 6;

(c) a direction addressed to the Underwriter directing the Underwriter to pay the Gross Proceeds less the Underwriting Fee and the reasonable out-of-pocket expenses of the Underwriter including the fees and disbursements of counsel to the Underwriter; and

(d) such further documentation as may be contemplated herein,

against payment of the Offering Price for the Offered Shares by certified cheque, bank draft or wire transfer.

11. **Expenses**

Whether or not the Closing occurs, all reasonable expenses of or incidental to the sale of the Offered Shares plus applicable taxes shall be borne by the Corporation, including the fees and disbursements of legal counsel for the Underwriter (up to a maximum of $50,000, excluding disbursements and applicable taxes) and the Underwriter's reasonable "out-of-pocket" expenses including, without limitation, any printing, courier, telecommunications, data search, travel and other expenses incurred by the Underwriter, together with related taxes.

12. **<u>Indemnity and Contribution</u>**

The Corporation shall indemnify and save harmless the Underwriter and/or any of its affiliates (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") and each of the directors, officers, employees and shareholders of the Indemnified Parties (the "**Personnel**") from and against any and all expenses, losses (other loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against any Indemnified Party, to which any Indemnified Party and/or its Personnel may suffer, become subject or otherwise involved in any capacity under statute or common law or otherwise, insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Corporation by the Indemnified Party and its Personnel or otherwise in connection with the matters referred to in this Agreement, provided, however, that this indemnity shall not apply to the extent that a court or competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(a) the Indemnified Party or its Personnel has been grossly negligent or have committed any wilful misconduct, fraudulent or illegal act in the course of the performance; or

(b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were caused by the gross negligence, dishonesty or fraud referenced to in (a).

If for any reason (other than the occurrence of any of the events itemized in (a) and (b) above), the foregoing indemnification is unavailable to an Indemnified Party or insufficient to hold it harmless, then the Corporation shall contribute to the amount paid or payable by an Indemnified Party and/or its Personnel as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Indemnified Party and/or its Personnel on the other hand but also the relative fault of the Corporation and the Indemnified Party and/or its Personnel, as well as any relevant equitable considerations; provided that the Corporation shall, in any event, contribute to the amount paid or payable by the Indemnified Party and/or its Personnel as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Indemnified Party pursuant to this Agreement.

The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or an Indemnified Party and/or its Personnel by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, where an Indemnified Party and any Personnel is required to testify in connection therewith or will be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Indemnified Party and/or its Personnel, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by its Personnel in connection therewith) and reasonable out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Corporation as they occur, provided that, notwithstanding the foregoing, the Indemnified Parties and/or its Personnel shall utilize the Corporation's counsel unless in the opinion of the Indemnified Parties, 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 Corporation such that joint representation would be inappropriate.

Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Indemnified Parties (or any one of them) will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission so to notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Indemnified Party and/or its Personnel except to the extent that the Corporation is prejudiced by any such failure to notify.

The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties and its Personnel who are not signatories to this Agreement and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation and the Indemnified Parties and its Personnel. The foregoing provisions shall survive the completion of professional services rendered under this Agreement and/or the termination of this Agreement.

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

The Corporation hereby waives all rights which it may have by statute or common law to recover contribution from any Indemnified Party in respect of losses, claims, costs, damages, expenses or liabilities which any of them may suffer or incur directly or indirectly (in this paragraph, "**losses**") by reason of or in consequence of a document containing a misrepresentation; provided, however, that such waiver shall not apply in respect of losses by reason of or in consequence of any misrepresentation which is based upon or results from information or statements furnished by or relating solely to the Underwriter.

13. **Survival of Representations, Warranties, Covenants and Agreements**

All warranties, representations, covenants, indemnities and agreements of the Corporation and the Underwriter herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the purchase by the Purchasers of the Offered Shares and shall continue in full force and effect for the benefit of the Underwriter, the Purchasers and/or the Corporation until the later of: (i) two years following the Closing Date; and (ii) the latest date under the Applicable Securities Laws in which a Purchaser is resident or, if the Applicable Securities Laws do not specify such a date, the latest date under the *Limitations Act, 2002* (Ontario), except in the case of any fraud on the part of the party giving the applicable warranty, representation, covenant, indemnity or agreement, as the case may be, which shall not be subject to any such limitation.

14. **Public Announcement**

If the Underwriter so requests, the Corporation shall include a reference to the Underwriter and its role in the Offering in any press release or other public communication issued by the Corporation related to the Offering. The Corporation shall provide the Underwriter with a reasonable opportunity to review a draft of any proposed announcement and an opportunity to provide comments thereon. Provided the Offering is completed, the Underwriter shall be permitted to publish, at its own expense, after giving the Corporation a reasonable opportunity to comment on the form and content thereof, such advertisements or announcements relating to the services provided in respect of the Offering in such newspapers or other publications as the Underwriter considers appropriate, and shall further be permitted to post such advertisements or announcements on its website.

15. **<u>Notice</u>**

Any notice or other communication to be given by delivery, by facsimile or by other electronic means hereunder shall, in the case of notice to be given to the Corporation, be addressed to the Corporation at the address appearing on page 1 of this Agreement, Attention: Tom Rossi, President and Chief Executive Officer, Fax No.: (905) 569-1809, with a copy to Matthew Hawkins, Vice President Legal Affairs and Corporate Secretary, Fax No.: (905) 569-1809, and in the case of notice to the Underwriter:

Cormark Securities Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2800
Toronto, Ontario M5J 2J2

Attention: Jeff Kennedy
Fax No.: (416) 943-6499

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

Baker & McKenzie LLP
Brookfield Place
Bay/Wellington Tower
181 Bay Street, Suite 2100
Toronto, Ontario, Canada M5J 2T3

Attention: Corey MacKinnon
Fax No.: (416) 863-6275

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 faxed and receipt confirmed during normal business hours, as the case may be. Any party may, at any time, give notice in writing to the other in the manner provided for above of any change of address or facsimile number.

16. **<u>Time of the Essence</u>**

Time shall be of the essence of this Agreement and every part hereof.

17. **<u>Further Assurances</u>**

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

18. **<u>Severability</u>**

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.

19. **Assignment**

Except as contemplated herein, no party hereto may assign this Agreement or any part hereof without the prior written consent of the other party hereto. Subject to the foregoing, this Agreement shall enure to the benefit of, and shall be binding upon, the Corporation and the Underwriter and each of their respective successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions contained in this Agreement, this Agreement and all conditions and provisions of this Agreement being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person except that the covenants and indemnities of the Corporation set out under the heading "Indemnity and Contribution" shall also be for the benefit of the Indemnified Parties and the Personnel.

20. **Counterpart and Electronic Transmission**

This Agreement may be executed in one or more counterparts including by facsimile or portable document format (pdf) each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.

21. **Entire Agreement**

The provisions herein contained constitute the entire agreement between the parties relating to the Offering and supersede all previous communications, representations, understandings and agreements between the parties including, but not limited to, the Letter Agreement, with respect to the subject matter hereof whether verbal or written.

22. **Canadian Dollars**

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

23. **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

24. **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 express que la présente convention ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.

If the Corporation 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 Underwriter.

Yours very truly,

CORMARK SECURITIES INC.

Per: *<Signed> James Kofman*
Authorized Signing Officer

The foregoing accurately reflects the terms of the transaction which we are to enter into and such terms are agreed to with effect as of the date provided at the top of the first page of this Agreement.

TRIMEL PHARMACEUTICALS CORPORATION

Per: *<Signed> Tom Rossi*
Tom Rossi
President and Chief Executive Officer

SCHEDULE "A"
CONVERTIBLE SECURITIES

Security	Number of Convertible Securities Outstanding
Canadian Dollar Denominated Options	4,438,415
United States Dollar Denominated Options	2,793,725
Total Options	**7,232,140**
Warrants	7,100,569
Convertible Promissory Note	Maximum Convertible Amount: 8,945,797 Common Shares

UNITED STATES OFFERS AND SALES

As used in this Schedule "B", capitalized terms used herein and not defined herein shall have the meaning ascribed thereto in the Agreement to which this Schedule is annexed and the following terms shall have the meanings indicated:

(a) "**Accredited Investor**" means an institutional "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D;

(b) "**Directed Selling Efforts**" means directed selling efforts as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Shares and includes the placement of any advertisement in a publication "with a general circulation in the United States", as such phrase is defined in Rule 902(c) of Regulation S, that refers to the offering of the Offered Shares;

(c) "**Foreign Issuer**" shall have the meaning ascribed thereto in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "B", it means any issuer which is: (a) the government of any country other than the United States, of any political subdivision thereof or a national of any country other than the United States; or (b) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50% of the outstanding voting securities of such issuer are held of record either directly or through voting trust certificates or depositary receipts by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents; (ii) more than 50% of the assets of the issuer are located in the United States; or (iii) the business of the issuer is administered principally in the United States;

(d) "**General Solicitation**" **or "General Advertising**" means "general solicitation" or "general advertising", respectively, as used in Rule 502(c) of Regulation D, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or in other any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

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

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

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

Representations, Warranties and Covenants of the Underwriter

The Underwriter, on its own behalf and on behalf of its U.S. Affiliate, acknowledges that none of the Offered Shares have been nor will be registered under the U.S. Securities Act or any applicable state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act or any applicable state securities laws. Accordingly, the Underwriter, on its own behalf and on behalf of its U.S. Affiliate, represents, warrants and covenants to the Corporation as of the date of the Agreement and as of the Closing Date that:

1. It has not offered or sold, and will not offer or sell, any Offered Shares except (a) outside the United States in an "offshore transaction" (as defined in Rule 902 of Regulation S) in accordance with Rule 903 of Regulation S or (b) within the United States as provided in paragraphs 2 through 13 below. Accordingly, neither the Underwriter, its affiliates nor any persons acting on their behalf, has made or will make (except as permitted in paragraphs 2 through 13 below) (i) any offer to sell or any solicitation of an offer to buy, any Offered Shares in the United States or to, or for the benefit or account of, any person in the United States or a U.S. Person, (ii) any sale of Offered Shares to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States and not a U.S. Person, or the Underwriter, affiliate or person acting on behalf of either reasonably believed that such Purchaser was outside the United States and not a U.S. Person, or (iii) any Directed Selling Efforts with respect to the Offered Shares.

2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Shares, except with its affiliates, any selling group members or with the prior written consent of the Corporation. It shall require each such affiliate and selling group member to agree, for the benefit of the Corporation, to comply with, and shall use its commercially reasonable best efforts to ensure that each selling group member complies with, the same provisions of this Schedule as apply to the Underwriter as if such provisions applied to such affiliate or selling group member.

3. All offers and sales of Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person shall be made on behalf of the Underwriter by the U.S. Affiliate which is duly registered with the SEC as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales were or are made (unless exempted from the respective state's broker-dealer registration requirements) and is a member in good standing of the Financial Industry Regulatory Authority, Inc. (the "**U.S. Affiliate**").

4. Offers and sales of Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person shall not be made (i) by any form of General Solicitation or General Advertising or (ii) in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

5. Any offer or solicitation of an offer to buy Offered Shares that has been made or will be made in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person was or will be made only to Substituted Purchasers that are Accredited Investors by the Underwriter through the U.S. Affiliate, and in transactions that are exempt from registration under the U.S. Securities Act and applicable state securities laws and regulations.

6. The Underwriter acting through the U.S. Affiliate may offer the Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person only to offerees with respect to which the Underwriter or the U.S. Affiliate has a pre-existing

relationship and, immediately prior to soliciting offerees, has reasonable grounds to believe, and does believe, are Accredited Investors.

7. At least one Business Day prior to the Closing Time, the Underwriter will provide the Corporation with a list of all United States Purchasers or who are purchasing for the account or benefit of any person in the United States or a U.S. Person.

8. The Underwriter will inform, and cause the U.S. Affiliate to inform, all United States Purchasers purchasing for its own account or for the account or benefit of a person in the United States or a U.S. Person that the Offered Shares have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and are being sold to them pursuant to a transaction exempt from registration under the U.S. Securities Act or applicable state securities laws.

9. The Underwriter agrees that at the Closing Time, it, together with its U.S. Affiliate, if applicable, will provide a certificate, substantially in the form of Annex I to this Schedule “B”, relating to the manner of the offer or sale of the Offered Shares in the United States or for the account or benefit of a person in the United States, or will be deemed to have represented that neither it nor its U.S. Affiliate offered or sold Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or U.S. Person.

10. Prior to any sale of Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person, each United States Purchaser will execute a United States Subscribers Representation Letter attached to the Subscription Agreement with respect to its purchase of the Offered Shares.

11. Neither the Underwriter, its affiliates, nor any person acting on their behalf (other than the Corporation, its affiliates and any person acting on their behalf as to which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Securities Act in connection with the offer and sale of the Offered Shares.

12. With respect to Offered Shares to be offered and sold hereunder in reliance on Rule 506(b) under the U.S. Securities Act (“**Regulation D Securities**”), neither the Underwriter, nor its U.S. Affiliate, nor any of their respective general partners or managing members, nor any director or executive officer of any of the foregoing, nor any other officer of any of the foregoing participating in the offering of the Regulation D Securities, is subject to any of the “Bad Actor” disqualifications provisions described in Rule 506(d) under the U.S. Securities Act (a “**Disqualification Event**”). Neither the Underwriter, nor its U.S. Affiliate have paid or will pay, nor are they aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Underwriter and its U.S. Affiliate) for solicitation of purchasers of Regulation D Securities.

13. Neither the Underwriter nor its U.S. Affiliate nor any person acting on its behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Shares.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees that as of the date of the Agreement and as of the Closing Date that:

1. The Corporation is a Foreign Issuer with no Substantial U.S. Market Interest in the Common Shares or the Offered Shares and is not required to be registered as an "investment company" under the *United States Investment Company Act of 1940*.

2. Neither the Corporation nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

3. Except with respect to sales to Substituted Purchasers that are Accredited Investors hereunder in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D, neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriter, its affiliates and any person acting on their behalf, as to whom no representation, warranty, covenant or agreement is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Offered Shares in the United states or to, or for the account or benefit of, any person in the United States or U.S. Person; or (B) any sale of Offered Shares unless, at the time the buy order was or will have been originated, the Purchaser is (i) outside the United States, or (ii) the Corporation and any person acting on its behalf (other than the Underwriter, its affiliates and any person acting on their behalf, as to whom no representation is made) reasonably believe that the Purchaser is outside the United States.

4. Neither it nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriter, its affiliates and any person acting on their behalf, as to whom no representation, warranty, covenant or agreement is made), has made or will make any Directed Selling Efforts, or has taken or will take any action that would cause the exclusion afforded by Rule 903 of Regulation S from the registration requirements of the U.S. Securities Act to be unavailable for offers and sales of the Offered Shares pursuant to this Agreement.

5. None of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriter, its affiliates and any person acting on their behalf, as to whom no representation, warranty, covenant or agreement is made) have (i) engaged or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the Offered Shares in the United States, or (ii) undertaken any activity in a manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

6. Since the date that is six months prior to start of the offering of the Offered Shares it has not sold, offered for sale or solicited any offer to buy, and it will not sell, offer for sale or solicit any offer to buy, any of its securities in a manner that would be integrated with the offer and sale of the Offered Shares or taken any action that would cause the exemption from registration set forth in Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Shares.

7. The Corporation will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable blue sky laws in connection with the offer and sale of the Offered Shares.

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

9. None of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Underwriter, its affiliates, or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Shares.

10. In connection with offers and sales of Offered Shares outside of the United States, the Corporation, its affiliates and any person acting on its or their behalf have complied and will comply with the requirements for an "offshore transaction" (as such term is defined in Rule 902(h) of Regulation S).

ANNEX I TO SCHEDULE "B"

UNDERWRITER'S CERTIFICATE

In connection with the private placement in the United States of the common shares (the "**Offered Shares**") of Trimel Pharmaceuticals Corporation (the "**Corporation**") pursuant to the underwriting agreement dated July 30, 2014 between the Corporation and Cormark Securities Inc. (the "**Underwriting Agreement**"), the undersigned do hereby certify as follows:

(i) Cormark Securities (U.S.A.) Limited is duly registered: (i) as a broker or dealer with the SEC; (ii) under the securities laws of each state in which offers and sales of Offered Shares were made (unless exempted from the respective state's broker-dealer registration requirements); and (iii) with the Financial Industry Regulatory Authority, Inc. ("**FINRA**") and is a member of, and in good standing with FINRA on the date hereof;

(ii) immediately prior to offering Offered Shares to offerees in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person, we had reasonable grounds to believe and did believe that each such offeree was an Accredited Investor under the U.S. Securities Act and, on the date hereof, we continue to believe that each such offeree purchasing Offered Shares through us is an Accredited Investor;

(iii) no form of General Solicitation or General Advertising was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by General Solicitation or General Advertising, in connection with the offer or sale of the Offered Shares in the United States or for the account or benefit of a person in the United States or a U.S. Person;

(iv) we did not make any Directed Selling Efforts in the United States with respect to the Offered Shares;

(v) all offers and sales of Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person have been effected in accordance with all applicable U.S. state and federal laws governing the registration and conduct of brokers and dealers;

(vi) no written material was used in connection with the offer or sale of the Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person;

(vii) the offering of the Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person has been conducted by us in accordance with the Underwriting Agreement including Schedule "B" thereto; and

(viii) prior to any sale of Offered Shares in the United States or to, or for the account or benefit of, any person in the United States or a U.S. Person, we caused each United States Purchaser to execute a Subscription Agreement (including a United States Subscribers Representation Letter) in the form agreed between the Corporation and the Underwriter.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement, including Schedule “B” thereto, unless defined herein.

DATED this ______ day of _____________, 2014.

CORMARK SECURITIES INC.	**CORMARK SECURITIES (U.S.A.) LIMITED**
By: ______________________________	By: ______________________________
Authorized Signing Officer	Authorized Signing Officer