
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Amendment No. 2

to
FORM F-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
INTELLIPHARMACEUTICS
INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Canada

(State or other jurisdiction of incorporation or organization)

2834

(Primary Standard Industrial Classification Code Number)

Not Applicable

(I.R.S. Employer Identification Number)

**Intellipharmaeutics
International Inc.
30 Worcester Road
Toronto, Ontario
Canada, M9W 5X2
(416) 798-3001**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

**Corporation Service Company
1090 Vermont Avenue N.W.
Washington, D.C. 20005
(800) 927-9800**

(Name, address, and telephone number of agent for service)

With copies to:

**Richard DiStefano, Esq.
Brian North, Esq.
Buchanan Ingersoll & Rooney PC
640 Fifth Avenue
New York, New York 10019-6102
Telephone: (212) 440-4455
Facsimile: (212) 440-4401**

**Tina M. Woodside, Esq.
Gowling WLG (Canada) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1G5
Telephone: (416) 369-4584
Facsimile: (416) 862-7661**

**Jeffrey Fessler, Esq.
Sheppard Mullin Richter & Hampton LLP
30 Rockefeller Plaza, 39th Floor
New York, New York 10112
Telephone: (212) 653-8700
Facsimile: (212) 653-8701**

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

[†] The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
	(1) (2) (3)	(2)
Units, each Unit consisting of one common share, no par value (“Common Shares”), and one warrant (“Warrant”) to purchase one Common Share (3)	\$ 13,800,000	\$ 1,672.56
(i) Common Shares included in the Units (4)	—	—
(ii) Warrants included in the Units (4)	—	—
Pre-Funded Units, each Pre-Funded Unit consisting of one pre-funded warrant (“Pre-Funded Warrant”) to purchase one Common Share and one Warrant to purchase one Common Share (3)	13,662,000	1,655.83
(i) Pre-Funded Warrants included in the Pre-Funded Units (4)	—	—
(ii) Warrants included in the Pre-Funded Units (4)	—	—
Common Shares issuable upon exercise of warrants (3)	—	—
Common Shares issuable upon exercise of pre-funded warrants (3)	\$ 13,800,000	1,672.56
Underwriter’s Warrants (5)	138,000	16.73
Common Shares issuable upon exercise of Underwriter’s Warrants (6)	\$ 1,035,000	\$ 125.44
Total	\$ 42,435,000	\$ 5,143.12(7)

(1) Estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the “U.S. Securities Act”). Includes the aggregate offering price of additional Common Shares and/or Warrants to purchase Common Shares that the underwriter has the right to purchase.

(2) Pursuant to Rule 416 under the U.S. Securities Act, (i) the securities being registered hereunder include such indeterminate number of additional Common Shares as may, from time to time, become issuable by reason of stock splits, stock dividends, recapitalizations or other similar transactions and (ii) if prior to completion of the distribution of the securities covered hereby, all the securities of a class which includes the registered securities are combined by a reverse stock split into a lesser amount of securities of the same class, the amount of undistributed securities of such class deemed to be covered hereby shall be proportionately reduced.

(3) The proposed maximum aggregate offering price of the Units proposed to be sold in the offering will be reduced on a dollar-for-dollar basis based on the offering price of any Pre-Funded Units offered and sold in the offering, and the proposed maximum aggregate offering price of the Pre-Funded Units to be sold in the offering will be reduced on a dollar-for-dollar basis based on the offering price of any Units sold in the offering. Accordingly, the proposed maximum aggregate offering price of the Units and Pre-Funded Units (including the Common Shares issuable upon exercise of the Pre-Funded Warrants included in the Pre-Funded Units), if any, is \$13,800,000.

(4) No additional registration fee is payable pursuant to Rule 457(i) under the U.S. Securities Act.

(5) No additional registration fee is payable pursuant to Rule 457(g) under the U.S. Securities Act.

(6) Represents warrants to purchase a number of Common Shares equal to 6% of the Common Shares sold in this offering (including the number of Common Shares issuable upon exercise of the Pre-funded Warrants) at an exercise price equal to 125% of the offering price per unit.

(7) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the U.S. Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a) of the U.S. Securities Act, may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the Securities and Exchange Commission declares our registration statement effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated October 11, 2018

PRELIMINARY PROSPECTUS



INTELLIPHARMACEUTICS INTERNATIONAL INC.

Up to 8,695,652 Units (each Unit contains one Common Share and one Warrant to purchase one Common Share)

Up to 8,695,652 Pre-Funded Units (each Pre-Funded Unit contains one Pre-Funded Warrant to purchase one Common Share and one Warrant to purchase one Common Share)

(8,695,652 Common Shares Underlying the Warrants) and

(8,695,652 Common Shares Underlying the Pre-Funded Warrants)

We are offering up to 8,695,652 Units ("Units"), each Unit consisting of one common share, no par value ("Common Shares"), and one warrant (the "Warrant") to purchase one Common Share. Each Warrant contained in a Unit has an exercise price of \$ per Common Share. The Warrants contained in the Units will be exercisable immediately and will expire. We are also offering the Common Shares that are issuable from time to time upon exercise of the Warrants contained in the Units.

We are also offering to each purchaser whose purchase of Units in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding Common Shares immediately following the consummation of this offering, the opportunity to purchase, if the purchaser so chooses, pre-funded units ("Pre-Funded Units"), each Pre-Funded Unit consisting of one pre-funded warrant ("Pre-Funded Warrant") to purchase one Common Share and one Warrant to purchase one Common Share, in lieu of Units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of our outstanding Common Shares (or at the election of the purchaser, 9.99%). Each Pre-Funded Warrant contained in a Pre-Funded Unit will be exercisable for one Common Share. The purchase price of each Pre-Funded Unit will equal the price per Unit being sold to the public in this offering minus \$0.01, and the exercise price of each Pre-Funded Warrant included in the Pre-Funded Unit will be \$0.01 per Common Share. The Pre-Funded Warrants will be exercisable immediately and expire when exercised in full. This offering also relates to the Common Shares issuable upon exercise of any Pre-Funded Warrants contained in the Pre-Funded Units sold in this offering. Each Warrant contained in a Pre-Funded Unit has an exercise price of \$ per Common Share. The Warrants contained in the Pre-Funded Units will be exercisable immediately and will expire. We are also offering the Common Shares that are issuable from time to time upon exercise of the Warrants contained in the Pre-Funded Units.

For each Pre-Funded Unit we sell, the number of Units we are offering will be decreased on a one-for-one basis. Units and the Pre-Funded Units will not be issued or certificated. The Common Shares or Pre-Funded Warrants, as the case may be, and the Warrants can only be purchased together in this offering but the securities contained in the Units or Pre-Funded Units will be issued separately.

Our Common Shares are listed for trading on the Toronto Stock Exchange (the "TSX"), and on the Nasdaq Capital Market ("Nasdaq"), under the symbol "IPCI." On October 8, 2018, the closing sale price of our Common Shares as reported by the TSX and Nasdaq was Cdn\$2.02 and \$1.38, respectively. At a special meeting of shareholders held on August 15, 2018, our shareholders granted our board of directors (the "Board of Directors" or "Board") the discretionary authority to implement a reverse stock split, known as a share consolidation under Canadian law, of our Common Shares on the basis of a ratio to be selected by the Board within a range between five pre-consolidation Common Shares for one post-consolidation Common Share and fifteen pre-consolidation Common Shares for one post-consolidation Common Share. On September 10, 2018, the Board of Directors fixed a reverse stock split ratio of ten pre-consolidation shares for one post-consolidation Common Share (the "reverse split") to be effective upon filing articles of amendment with the Director under the Canada Business Corporations Act (the "CBCA"). On September 12, 2018, we filed the articles of amendment which implemented the reverse split, and our Common Shares began trading on each of Nasdaq and TSX on a post-reverse split basis under our existing trade symbol "IPCI" at the open of market on September 14, 2018. All historical references to Common Shares, warrants and options outstanding prior to September 12, 2018 and the related exercise prices and conversion prices in this prospectus have been adjusted to reflect the effect of the reverse split. We have assumed a public offering price of \$1.38 per Unit and \$1.37 per Pre-Funded Unit. The actual offering price per Unit and Pre-Funded Unit, and the exercise price of the Warrants, as applicable, will be determined by negotiation between us and the underwriter based on market conditions at the time of pricing, and may be at a discount to the current market price of our Common Shares. We do not intend to apply for listing of the Pre-Funded Warrants or the Warrants on any securities exchange or other nationally recognized trading system. There is no established public trading market for the Pre-Funded Warrants or the Warrants, and we do not expect a market to develop. Without an active trading market, the liquidity of the Pre-Funded Warrants and the Warrants will be limited.

You should rely only on the information contained herein or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information.

Investing in our securities involves risks. See “Risk Factors” beginning on page 7 of this prospectus and in the documents incorporated by reference into this prospectus for a discussion of risks that should be considered in connection with an investment in our securities.

	Per Unit	Per Pre-Funded Unit	Total
Public offering price	\$	\$	\$
Underwriting discounts and commissions (8%) (1)	\$	\$	\$
Proceeds, before expenses, to us (2)	\$	\$	\$

(1) We have also agreed to pay the underwriter a management fee equal to 1% of the gross proceeds raised in this offering, a non-accountable expense allowance of \$35,000 and reimbursement for legal fees and expenses in the amount of up to \$100,000. For a description of the additional compensation to be received by the underwriter see “Underwriting” on page 50 of this prospectus.

(2) Excludes potential proceeds from the exercise of the Warrants or the Pre-Funded Warrants being offered pursuant to this prospectus.

The offering is being underwritten on a firm commitment basis. We have granted the underwriter the option to purchase up to 1,304,347 additional Common Shares at a purchase price of \$ per share and/or Warrants to purchase up to an aggregate of Common Shares at a purchase price of \$0.01 per Warrant with an exercise price of \$ per Common Share, less the underwriting discounts and commissions. The underwriter may exercise its option at any time and from time to time within 30 days from the date of this prospectus. If the underwriter exercises the option in full, the total underwriting discounts and commissions payable by us will be \$, and the total proceeds to us, before expenses, will be \$, excluding potential proceeds from the exercise of the Warrants included in such option. In addition, the registration statement of which this prospectus is a part also registers for sale warrants to purchase up to 521,739 Common Shares to the underwriter as a portion of its compensation payable in connection with this offering. The warrants will be exercisable six months after the effective date of the offering and will expire five years from the effective date of the offering at an exercise price equal to 125% of the public offering price of the Common Shares. Please see “Underwriting – Underwriter Warrants” for a description of these warrants.

The Company’s registered office and head office is located at 30 Worcester Road, Toronto, Ontario, Canada, M9W 5X2.

We are a foreign private issuer under United States (“U.S.”) securities laws. The financial statements incorporated herein by reference have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of Canada, that all of its officers and directors are residents of Canada, that some or all of the experts named in the registration statement are residents of a foreign country, and that a substantial portion of the assets of the Company and said persons are located outside the United States.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) NOR ANY STATE SECURITIES COMMISSION OR CANADIAN SECURITIES REGULATOR HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Delivery of the securities offered hereby is expected to be made on or about , 2018.

Sole Book-Running Manager

H.C. Wainwright & Co.

The date of this prospectus is October , 2018

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ABOUT THIS PROSPECTUS

The registration statement we filed with the SEC includes exhibits that provide more detail of the matters discussed in this prospectus. You should read this prospectus, the related exhibits filed with the SEC, and the documents incorporated by reference herein before making your investment decision. You should rely only on the information provided in this prospectus and the documents incorporated by reference herein or any amendment thereto. In addition, this prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under the heading “Where You Can Find More Information: Incorporation by Reference.” Information contained in later-dated documents incorporated by reference will automatically supplement, modify or supersede, as applicable, the information contained in this prospectus or in earlier-dated documents incorporated by reference.

We have not, and the underwriter has not, authorized anyone to provide any information or to make any representations other than those contained in this prospectus, the documents incorporated by reference herein or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the securities offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. This prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. The information contained in this prospectus, the documents incorporated by reference herein or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: We have not, and the underwriter has not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the securities and the distribution of this prospectus outside the United States.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference into this prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreement, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

References to “\$,” “U.S. \$” or “dollars” are to U.S. dollars, and all references to “Cdn\$” or “C\$” are to the lawful currency of Canada. In this prospectus, where applicable, and unless otherwise indicated, amounts are converted from U.S. dollars to Canadian dollars and vice versa by applying the closing spot rate of exchange of the Bank of Canada on October 9, 2018. See “Exchange Rate Information.” The financial statements of the Company incorporated herein by reference are reported in U.S. dollars and have been prepared in accordance with U.S. GAAP, and except as otherwise indicated, all other information is also presented in U.S. dollars.

Any reference in this prospectus to our “products” includes a reference to our product candidates and future products we may develop.

Whenever we refer to any of our current product candidates (including additional product strengths of products we are currently marketing) and future products we may develop, no assurances can be given that we, or any of our strategic partners, will successfully commercialize or complete the development of any of such product candidates or future products under development or proposed for development, that regulatory approvals will be granted for any such product candidate or future product, or that any approved product will be produced in commercial quantities or sold profitably.

In this prospectus, any prospectus supplement, and/or the documents incorporated by reference herein or therein, we refer to information regarding potential markets for our products, product candidates and other industry data. We believe that all such information has been obtained from reliable sources that are customarily relied upon by companies in our industry. However, we have not independently verified any such information.

Unless the context otherwise requires, references in this prospectus to (i) share amounts, per share data, share prices, exercise prices and conversion rates have been adjusted to reflect the effect of the 1-for-10 reverse split which became effective on each of Nasdaq and TSX at the open of market on September 14, 2018, (ii) “consolidation” or “share consolidation” are intended to refer to such reverse split, and (iii) “pre-consolidation” and “post-consolidation” are intended to refer to “pre-reverse split” and “post-reverse split”, respectively.

TRADEMARKS

IntellipharmaTM, HypermatrixTM, Drug Delivery EngineTM, IntelliFoamTM, IntelliGITransporterTM, IntelliMatrixTM, IntelliOsmoticsTM, IntelliPasteTM, IntelliPelletsTM, IntelliShuttleTM, RexistaTM, nPODDDSTM, PODRASTM and RegabatinTM are our trademarks. These trademarks are important to our business. Although we may have omitted the “TM” trademark designation for such trademarks in this prospectus or in any prospectus supplement, all rights to such trademarks are nevertheless reserved. Unless otherwise noted, other trademarks used in this prospectus are the property of their respective holders.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or incorporated by reference herein. This summary is not complete and may not contain all of the information that you should consider before deciding whether or not you should purchase the securities offered hereunder. You should read this entire prospectus carefully, including the section entitled “Risk Factors” beginning on page 7 of this prospectus and the section entitled “Risk Factors” in our annual report on Form 20-F for the fiscal year ended November 30, 2017, and all other information included or incorporated herein by reference in this prospectus before you decide whether to purchase our securities.

Our Company

We are a pharmaceutical company specializing in the research, development and manufacture of novel and generic controlled-release and targeted-release oral solid dosage drugs. Our patented HypermatrixTM technology is a multidimensional controlled-release drug delivery platform that can be applied to the efficient development of a wide range of existing and new pharmaceuticals. Based on this technology platform, we have developed several drug delivery systems and a pipeline of products (some of which have received U.S. Food and Drug Administration, or FDA, approval) and product candidates in various stages of development, including abbreviated new drug applications, or ANDAs, filed with the FDA (and one Abbreviated New Drug Submission, or ANDS, filed with Health Canada) in therapeutic areas that include neurology, cardiovascular, gastrointestinal tract, or GIT, diabetes and pain.

We also have a new drug application, or NDA, 505(b)(2) specialty drug product candidate in our development pipeline for our oxycodone hydrochloride extended-release tablets (previously referred to as RexistaTM), or Oxycodone ER, an abuse deterrent oxycodone based on our proprietary nPODDDSTM novel Point Of Divergence Drug Delivery System (for which an NDA has been filed with the FDA). The NDA 505(b)(2) pathway (which relies in part upon the approving agency’s findings for a previously approved drug) both accelerates development timelines and reduces costs in comparison to NDAs for new chemical entities. An advantage of our strategy for development of NDA 505(b)(2) drugs is that our product candidates can, if approved for sale by the FDA, potentially enjoy an exclusivity period which may provide for greater commercial opportunity relative to the generic ANDA route.

Recent Developments

Preliminary Results for the Quarter Ended August 31, 2018

Although our financial statements as of and for the quarter ended August 31, 2018 are not yet available, the following information reflects our estimates of our results based on currently available information.

For the quarter ended August 31, 2018, we expect to report the following results:

(in thousands, except for per share amounts)

Balance Sheet Data

Cash and cash equivalents	\$	57
Total assets	\$	5,634
Total liabilities	\$	10,593
Net equity	\$	(4,959)

Statement of Operations

		Three month period
Revenue	\$	414
Net loss	\$	(3,954)
Net loss per share – basic and diluted	\$	(0.91)

Revenues represent quarterly profit share payments from our commercial partners. Operating expenses, consisting primarily of research and development and general and administrative expenses were significantly higher in the third quarter due to clinical studies related to Oxycodone ER as well as higher patent litigation expenses.

The foregoing constitute forward-looking statements and should be read in light of the section of this prospectus entitled “Cautionary Note Regarding Forward-Looking Information.” These preliminary results are unaudited and represent our estimates only, and our actual results could differ materially from those set forth above as a result of various factors, including those listed under “Risk Factors” in this prospectus. In addition, these factors include, without limitation, the risk that additional information may arise during our close process or as a result of subsequent events that would require us to make adjustments to the financial information, as well as the risk that adjustments to our financial statements may be identified through the course of our independent registered public accounting firm completing its review of our financial statements.

Reverse Stock Split

As more fully described below (under “*Nasdaq Notices and Nasdaq Hearings Panel Grant of Request for Continued Listing*”), in order to qualify for continued listing on Nasdaq, we have to meet certain continued listing criteria, including a closing bid price of at least \$1.00 for a minimum of 10 consecutive business days. In connection with the minimum bid price requirement, at a special meeting of shareholders held on August 15, 2018, our shareholders granted our Board of Directors discretionary authority to implement a reverse split of our outstanding Common Shares, on the basis of a ratio to be selected by the Board within a range between five pre-consolidation Common Shares for one post-consolidation Common Share and fifteen pre-consolidation Common Shares for one post-consolidation Common Share.

On September 10, 2018, the Board of Directors fixed a reverse split ratio of ten pre-consolidation shares for one post-consolidation Common Share. On September 12, 2018, we filed articles of amendment with the Director under the CBCA to effectuate the reverse split, and our Common Shares began trading on each of Nasdaq and TSX on a post-reverse split basis under our existing trade symbol “IPCI” at the open of market on September 14, 2018.

Nasdaq Notices and Nasdaq Hearings Panel Grant of Request for Continued Listing

While we are currently not in compliance with the requirements for the continued listing of our Common Shares on Nasdaq, as described below, we currently have until October 17, 2018 to satisfy those requirements. This offering and the reverse split are important parts of our plan to regain compliance with Nasdaq’s requirements for the continued listing of our Common Shares.

In September 2017, we were notified by Nasdaq that we were not in compliance with the minimum market value of listed securities required for continued listing on Nasdaq. Nasdaq Listing Rule 5550(b) requires listed securities to maintain a minimum market value of \$35.0 million, among other alternatives, including minimum shareholders’ equity of \$2.5 million. A failure to meet the minimum market value requirement exists if the deficiency continues for a period of 30 consecutive business days. Based on the market value of our Common Shares for the 30 consecutive business days from August 8, 2017, we did not satisfy the minimum market value of listed securities requirement. By rule, we were provided 180 calendar days, or until March 19, 2018, to regain compliance with that requirement. To regain compliance, our Common Shares were required to have a market value of at least \$35.0 million for a minimum of 10 consecutive business days prior to March 19, 2018, which we were unable to satisfy. In the alternative, if the minimum market value requirement for continued listing is not met, an issuer may maintain continued listing under Nasdaq Listing Rule 5550(b) if it has shareholders’ equity of at least \$2.5 million.

On April 20, 2018, we received notice that the Nasdaq Listings Qualification staff (the “Nasdaq Staff”) had determined to delist our Common Shares as a result of our failure to meet either the minimum market value of listed securities requirement or the minimum shareholders’ equity requirement for continued listing. However, any delisting action by the Nasdaq Staff was stayed pending the ultimate conclusion of the Company’s hearing before a Nasdaq Hearings Panel (the “Panel”).

In addition to not meeting the minimum market value of listed securities or minimum shareholders’ equity requirements, we were separately notified in December 2017 that our Common Shares no longer satisfied the minimum \$1.00 per share bid requirement under Nasdaq Listing Rule 5550(a)(2).

We attended a hearing before the Panel on May 17, 2018, and subsequently received formal notice that the Panel had granted our request for continued listing provided that by September 28, 2018, we (i) comply with Nasdaq’s \$1.00 bid price requirement by having a closing bid price of over \$1.00 for ten consecutive trading days, (ii) have a stockholders’ equity position of over \$2.5 million and (iii) provide the Panel with updated financial projections demonstrating our ability to maintain compliance with the stockholders’ equity rule for the coming year. Following receipt of shareholder approval for a reverse stock split (known as a share consolidation under Canadian law) at the Company’s August 15, 2018 shareholders meeting, on September 12, 2018, the Company filed articles of amendment to effectuate a 1-for-10 reverse split, and the Company’s Common Shares began trading on each of Nasdaq and the Toronto Stock Exchange on a post-reverse split basis on September 14, 2018. As a result of the closing bid price of the Company’s common shares exceeding \$1.00 for the period from September 14, 2018 to September 27, 2018, the Company regained compliance with Nasdaq’s minimum bid price requirement. On September 29, 2018, the Company was advised that the Panel granted an extension through October 17, 2018 for the Company to regain compliance with Nasdaq’s stockholders’ equity requirement. There is no assurance that the Company will be able to regain compliance with Nasdaq’s stockholders’ equity requirements, or if it does, that the Company will be able to maintain compliance with Nasdaq’s listing requirements.

There is no assurance that we will be able to regain or maintain compliance with the Nasdaq listing requirements or, if we do regain compliance, that we will be able to maintain such compliance over the long term. If we are unable to do so, our Common Shares may be delisted from Nasdaq and the liquidity and market price of our Common Shares may be adversely impacted as a result. If our Common Shares are delisted from Nasdaq, they may trade in the over-the-counter system, which may be a less liquid market. In such case, our shareholders’ ability to trade, or obtain quotations of the market value of, our Common Shares could be severely limited because of lower trading volumes and transaction delays. See “— Risk Factors—Our Common Shares will be delisted from the Nasdaq Capital Market if we do not satisfy certain requirements of the Nasdaq Hearing Panel by October 17, 2018.”

FDA Meeting

In February 2018, we and the FDA discussed a previously-announced Complete Response Letter for Oxycodone ER, including issues related to the blue dye in the product candidate. Based on the meeting, the product candidate will no longer include the blue dye. The blue dye was intended to act as an additional deterrent if Oxycodone ER is abused and serve as an early warning mechanism to flag potential misuse or abuse. The FDA confirmed that the removal of the blue dye is unlikely to have any impact on formulation quality and performance. As a result, we will not be required to repeat in vivo bioequivalence studies and pharmacokinetic studies submitted in the Oxycodone ER NDA. The FDA also indicated that, from an abuse liability perspective, Category 1 studies will not have to be repeated on Oxycodone ER with the blue dye removed.

In May 2018, we announced that we had commenced our Category 2 and 3 human abuse liability studies for our Oxycodone ER product candidate to support its abuse-deterrent label claims for the intranasal route of administration. We also announced that planned studies to support abuse-deterrent label claims for the oral route of abuse were scheduled to commence.

In October 2018, we completed the clinical portion of both the intranasal and oral abuse studies. Bioanalytical samples and statistical analysis for such studies are pending. Results from the studies will be included in our response to the FDA Complete Response Letter which is due no later than February 28, 2019.

There can be no assurance that our products will be successfully commercialized or produce significant revenues for us. Also, there can be no assurance that we will not be required to conduct further studies for our Oxycodone ER product candidate, that the FDA will approve any of our requested abuse-deterrence label claims or that the FDA will ultimately approve the NDA for the sale of our Oxycodone ER product in the U.S. market, or that it will ever be successfully commercialized, that we will be successful in submitting any additional ANDAs or NDAs with the FDA or ANDSs with Health Canada, that the FDA or Health Canada will approve any of our current or future product candidates for sale in the U.S. market and Canadian market, or that they will ever be successfully commercialized and produce significant revenue for us.

Our Corporate Information

We were formed under the CBCA by certificate and articles of arrangement dated October 22, 2009. Our registered principal office is located at 30 Worcester Road, Toronto, Ontario, Canada M9W 5X2. Our telephone number is (416) 798-3001 and our facsimile number is (416) 798-3007. Our website address is <http://www.intellipharma.com>. Information on or accessed through our website is not incorporated into this prospectus and is not a part of this prospectus. Our Common Shares are listed for trading on the TSX and on Nasdaq under the symbol "IPCI."

THE OFFERING

Units offered by us in this offering:

Up to 8,695,652 Units, each consisting of one Common Share and one Warrant to purchase one Common Share

Pre-Funded Units offered by us in this offering:

We are also offering to each purchaser whose purchase of Units in this offering would otherwise result in the purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% of our outstanding Common Shares immediately following the consummation of this offering, the opportunity to purchase, if the purchaser so chooses, Pre-Funded Units (each Pre-Funded Unit consisting of one Pre-Funded Warrant to purchase one Common Share and one Warrant to purchase one Common Share) in lieu of Units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of our outstanding Common Shares (or at the election of the purchaser, 9.99%). Each Pre-Funded Warrant contained in a Pre-Funded Unit will be exercisable for one Common Share. The purchase price of each Pre-Funded Unit will equal the price per Unit being sold to the public in this offering minus \$0.01, and the exercise price of each Pre-Funded Warrant included in the Pre-Funded Unit will be \$0.01 per Common Share. The Pre-Funded Warrants will be exercisable immediately and expire when exercised in full. This offering also relates to the Common Shares issuable upon exercise of any Pre-Funded Warrants contained in the Pre-Funded Units sold in this offering. For each Pre-Funded Unit we sell, the number of Units we are offering will be decreased on a one-for-one basis. Because we will issue a Warrant as part of each Unit or Pre-Funded Unit, the number of Warrants sold in this offering will not change as a result of a change in the mix of the Units and Pre-Funded Units sold.

Warrants offered by us in this offering:

Warrants to purchase an aggregate of up to 8,695,652 Common Shares. Each Unit and each Pre-Funded Unit includes a Warrant to purchase one Common Share. Each Warrant contained in a Unit or Pre-Funded Unit has an exercise price of \$ per Common Share, will be immediately separable from the Common Shares or Pre-Funded Warrant, as the case may be, will be exercisable immediately and will expire.

Offering price:

\$ per Unit
\$ per Pre-Funded Unit

Option to purchase additional securities:

The underwriter has the option to purchase up to 1,304,347 additional Common Shares at a purchase price of \$ per share and/or Warrants to purchase up to an aggregate of Common Shares at a purchase price of \$0.01 per Warrant with an exercise price of \$ per Common Share, less the underwriting discounts and commissions. The underwriter may exercise its option at any time and from time to time within 30 days from the date of this prospectus.

Common Shares outstanding before this offering:

4,353,678 Common Shares

Common Shares to be outstanding after this offering:

13,049,330 Common Shares (assuming no sale of any Pre-Funded Units), or 14,353,677 Common Shares if the underwriter exercises its option to purchase additional Units in full (assuming no sale of any Pre-Funded Units).

Use of proceeds:

We estimate that the net proceeds to us from this offering will be approximately \$10.3 million (\$11.9 million if the underwriter's option to purchase additional Units is exercised in full), based on an assumed public offering price per Unit of \$1.38, the last reported sale price of our Common Shares on Nasdaq on October 8, 2018, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We currently intend to use the net proceeds from this offering for general corporate purposes, which may include working capital, capital expenditures, research and development, accounts payable, and other commercial expenditures. We expect from time to time to evaluate the acquisition of products and technologies for which a portion of the net proceeds may be used, although we currently are not planning or negotiating any such transactions. See "Use of Proceeds" beginning on page 48.

Nasdaq and TSX symbol/listing:

Our Common Shares are listed under the symbol "IPCI." We do not intend to apply for listing of the Pre-Funded Warrants or the Warrants on any securities exchange or other nationally recognized trading system. There is no established public trading market for the Pre-Funded Warrants or the Warrants, and we do not expect a market to develop. See "Recent Developments" above for important information about the listing of our Common Shares on Nasdaq.

Risk Factors:

Investing in our securities involves substantial risks. You should carefully review and consider the "Risk Factors" section of this prospectus for a discussion of factors to consider before deciding to invest in our securities.

The number of Common Shares shown above to be outstanding after this offering is based on 4,353,678 shares outstanding as of October 8, 2018 and excludes, as of that date:

- an aggregate of 558,484 Common Shares issuable upon the exercise of outstanding options, with a weighted average exercise price of U.S. \$31.60 per Common Share;
- up to 153,277 additional Common Shares that have been reserved for issuance in connection with future grants under our stock option plan;
- an aggregate of 824,570 Common Shares issuable upon the exercise of outstanding Common Share purchase warrants, with a weighted average exercise price of U.S. \$9.92 per Common Share;
- an aggregate of 10,279 deferred share units granted to non-management directors (to defer receipt of all or a portion of their Board fees until termination of the Board service and to receive such fees in the form of Common Shares at that time);
- an aggregate of 45,000 Common Shares issuable upon the conversion of an unsecured convertible debenture in the principal amount of U.S. \$1.5 million (the "2013 Debenture"), of which U.S. \$1.35 million remains outstanding, held by Drs. Isa and Amina Odidi, who are directors, executive officers and principal shareholders of our Company;
- an aggregate of 166,666 Common Shares issuable upon the conversion of an unsecured convertible debenture in the principal amount of \$500,000 (the "2018 Debenture"), all of which remains outstanding, held by Drs. Isa and Amina Odidi, who are directors, executive officers and principal shareholders of our Company;
- Common Shares issuable upon exercise of the Pre-Funded Warrants offered hereby at an exercise price of \$0.01 per share;
- 8,695,652 Common Shares issuable upon exercise of the Warrants offered hereby at an exercise price of \$ per share; and

- 521,739 Common Shares issuable upon exercise of the Underwriter's Warrants offered hereby at an exercise price of \$ per share.

Unless otherwise indicated, all information contained in this prospectus (i) assumes no exercises by the underwriter of its option to purchase additional securities, and no sale of any Pre-Funded Warrants; and (ii) reflects a 1-for-10 reverse split of our issued and outstanding Common Shares effected on September 12, 2018, and the corresponding adjustment of Common Share prices and related exercise prices and conversion prices.

RISK FACTORS

Our past experience may not be indicative of future performance, and as noted elsewhere in this prospectus and documents incorporated by reference into this prospectus, we have included forward-looking statements about our business, plans and prospects that are subject to change. In addition to the other risks or uncertainties contained in this prospectus and documents incorporated by reference into this prospectus, the following risks may affect our operating results, financial condition and cash flows. If any of these risks occurs, either alone or in combination with other factors, our business, financial condition or operating results could be adversely affected. Moreover, readers should note this is not an exhaustive list of the risks we face. Some risks are unknown or not quantifiable, and other risks that we currently perceive as immaterial may ultimately prove more significant than expected. Statements about plans, predictions or expectations should not be construed to be assurances of performance or promises to take a given course of action. Before making an investment decision, you should carefully consider these risks, including those set forth below and those described in the "Risk Factors" section of our Annual Report on Form 20-F, as filed with the SEC on March 1, 2018, which is incorporated by reference into this prospectus, as well as any amendment or update to our risk factors reflected in subsequent filings with the SEC, and you should also carefully consider any other information we include or incorporate by reference in this prospectus.

Any of the risks we describe below or in the information incorporated herein by reference in this prospectus could cause our business, financial condition or operating results to suffer. The market price of our Common Shares could decline if one or more of these risks and uncertainties develop into actual events. You could lose all or part of your investment.

Risks Relating to our Company

Our business is capital intensive and requires significant investment to conduct research and development, clinical and regulatory activities necessary to bring our products to market, which capital may not be available in amounts or on terms acceptable to us, if at all.

Our business requires substantial capital investment in order to conduct the research and development ("R&D"), clinical and regulatory activities necessary and to defend against patent litigation claims in order to bring our products to market and to establish commercial manufacturing, marketing and sales capabilities. As of November 30, 2017, we had a cash balance of \$1.9 million. As of May 31, 2018, our cash balance was \$1.4 million. While we expect to satisfy certain short term capital needs from cash on hand and profit transfer payments from our commercial partners, we need to obtain additional funding as we further the development of our product candidates. Potential sources of capital may include payments from licensing agreements, cost savings associated with managing operating expense levels, other equity and/or debt financings, and/or new strategic partnership agreements which fund some or all costs of product development. We intend to utilize the equity markets to bridge any funding shortfall and to provide capital to continue to advance our most promising product candidates. Our future operations are highly dependent upon our ability to source additional capital to support advancing our product pipeline through continued R&D activities and to fund any significant expansion of our operations. Our ultimate success will depend on whether our product candidates receive approval by the FDA or Health Canada and whether we are able to successfully market our approved products. We cannot be certain that we will receive FDA or Health Canada approval for any of our current or future product candidates, that we will reach the level of sales and revenues necessary to achieve and sustain profitability or that we can secure other capital sources on terms or in amounts sufficient to meet our needs, or at all. Our cash requirements for R&D during any period depend on the number and extent of the R&D activities we focus on. At present, we are working principally on our Oxycodone ER 505(b)(2), PODRAS™ technology, additional 505(b)(2) product candidates for development in various areas, and selected generic product candidate development projects. Our development of Oxycodone ER will require significant expenditures, including costs to defend against the Purdue litigation (as described in the "Legal Proceedings" section). For our Regabatin™ XR 505(b)(2) product candidate, Phase III clinical trials can be capital intensive, and will only be undertaken consistent with the availability of funds and a prudent cash management strategy. We anticipate some investment in fixed assets and equipment over the next several months, the extent of which will depend on cash availability.

Effective September 28, 2017, the maturity date for the 2013 Debenture was extended to October 1, 2018. Effective October 1, 2018, the maturity date for the 2013 Debenture was further extended to April 1, 2019. The Company currently expects to repay the current outstanding principal amount of \$1,350,000 on or about April 1, 2019, if the Company then has cash available.

The availability of equity or debt financing will be affected by, among other things, the results of our R&D, our ability to obtain regulatory approvals, our success in commercializing approved products with our commercial partners and the market acceptance of our products, the state of the capital markets generally, strategic alliance agreements and other relevant commercial considerations. In addition, if we raise additional funds by issuing equity securities, our then-existing security holders will likely experience dilution, and the incurring of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that would restrict our operations. In the event that we do not obtain sufficient additional capital, it will raise substantial doubt about our ability to continue as a going concern, realize our assets, and pay our liabilities as they become due. Our cash outflows are expected to consist primarily of internal and external R&D, legal and consulting expenditures to advance our product pipeline and selling, general and administrative expenses to support our commercialization efforts. Depending upon the results of our R&D programs, the impact of the Purdue litigation and the availability of financial resources, we could decide to accelerate, terminate, or reduce certain projects, or commence new ones. Any failure on our part to successfully commercialize approved products or raise additional funds on terms favorable to us, or at all, may require us to significantly change or curtail our current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated, and could result in us not taking advantage of business opportunities, in the termination or delay of clinical trials or us not taking any necessary actions required by the FDA or Health Canada for one or more of our product candidates, in curtailment of our product development programs designed to identify new product candidates, in the sale or assignment of rights to our technologies, products or product candidates, and/or our inability to file ANDAs, ANDSs or NDAs, at all or in time to competitively market our products or product candidates.

We have a history of operating losses, which may continue in the foreseeable future.

We have incurred net losses from inception through May 31, 2018 and had an accumulated deficit of \$77,882,323 as of such date and have incurred additional losses since such date. As we engage in the development of products in our pipeline, we may continue to incur further losses. There can be no assurance that we will ever be able to achieve or sustain profitability or positive cash flow. In addition to the other factors described in this prospectus, our ultimate success will depend on how many of our product candidates receive approval by the FDA or Health Canada and whether we are able to successfully market approved products. We cannot be certain that we will be able to receive FDA or Health Canada approval for any of our current or future product candidates, or that we will reach the level of sales and revenues necessary to achieve and sustain profitability. If we are unsuccessful in commercializing our products and/or securing sufficient financing, we may need to cease or curtail our operations.

Approvals for our product candidates may be delayed or become more difficult to obtain if the FDA changes its approval requirements.

The FDA may institute changes to its ANDA approval requirements, which may make it more difficult or expensive for us to obtain approval for our new generic products. For instance, in July 2012, the Generic Drug User Fee Amendments of 2012, or GDUFA, were enacted into law. The GDUFA legislation implemented substantial fees for new ANDAs, Drug Master Files, product and establishment fees. In return, the program is intended to provide faster and more predictable ANDA reviews by the FDA and more timely inspections of drug facilities. For the FDA's fiscal year 2018, the user fee rate is \$171,823 for new ANDAs. For the FDA's fiscal year 2018, the FDA will also charge an annual facility user fee of \$226,087 plus a new general program fee of \$159,079. Under GDUFA, generic product companies face significant penalties for failure to pay the new user fees, including rendering an ANDA not "substantially complete" until the fee is paid. It is currently uncertain the effect the new fees will have on our ANDA process and business. However, any failure by us or our suppliers to pay the fees or to comply with the other provisions of GDUFA may adversely impact or delay our ability to file ANDAs, obtain approvals for new generic products and generate revenues and thus may have a material adverse effect on our business, results of operations and financial condition.

We operate in a highly litigious environment.

From time to time, we may be exposed to claims and legal actions in the normal course of business. There has been substantial litigation in the pharmaceutical industry concerning the manufacture, use and sale of new products that are the subject of conflicting patent rights. When we file an ANDA or 505(b)(2) NDA for a bioequivalent version of a drug, we may, in some circumstances, be required to certify to the FDA that any patent which has been listed with the FDA as covering the branded product has expired, the date any such patent will expire, or that any such patent is invalid or will not be infringed by the manufacture, sale or use of the new drug for which the application is submitted. Approval of an ANDA is not effective until each listed patent expires, unless the applicant certifies that the patents at issue are not infringed or are invalid and so notifies the patent holder and the holder of the branded product. A patent holder may challenge a notice of non-infringement or invalidity by suing for patent infringement within 45 days of receiving notice. Such a challenge prevents FDA approval for a period which ends 30 months after the receipt of notice, or sooner if an appropriate court rules that the patent is invalid or not infringed. From time to time, in the ordinary course of business, we face and have faced such challenges and may continue to do so in the future.

As of the date of this prospectus, we are not aware of any pending or threatened material litigation claims against us, other than as described in this prospectus under the caption “Legal Proceedings”. Litigation to which we are, or may be, subject could relate to, among other things, our patent and other intellectual property rights or such rights of others, business or licensing arrangements with other persons, product liability or financing activities. Such litigation could include an injunction against the manufacture or sale of one or more of our products or potential products or a significant monetary judgment, including a possible punitive damages award, or a judgment that certain of our patent or other intellectual property rights are invalid or unenforceable or infringe the intellectual property rights of others. If such litigation is commenced, our business, results of operations, financial condition and cash flows could be materially adversely affected.

We may be subject to intellectual property claims that could be costly and could disrupt our business.

Third parties may claim we have infringed their patents, trademarks, copyrights or other rights. We may be unsuccessful in defending against such claims, which could result in the inability to protect our intellectual property rights or liability in the form of substantial damages, fines or other penalties such as injunctions precluding our manufacture, importation or sales of products. The resolution of a claim could also require us to change how we do business or enter into burdensome royalty or license agreements; provided, however, we may not be able to obtain the necessary licenses on acceptable terms, or at all. Insurance coverage may be denied or may not be adequate to cover every claim that third parties could assert against us. Even unsuccessful claims could result in significant legal fees and other expenses, diversion of management’s time and disruptions in our business. Any of these claims could also harm our reputation. Any of the foregoing may have a material adverse effect upon our business and financial condition.

We are a defendant in litigation and are at risk of additional similar litigation in the future that could divert management’s attention and adversely affect our business and could subject us to significant liabilities.

We are a defendant in the litigation matters described under the heading “Legal Proceedings.” The defense of such litigation may increase our expenses and divert our management’s attention and resources, and any unfavorable outcome could have a material adverse effect on our business and results of operations. Any adverse determination in such litigation, or any settlement of such litigation matters could require that we make significant payments. In addition, we may be the target of other litigation in the future. Any negative outcome in any ongoing or future litigation may have a material adverse effect on our business and financial condition.

Our significant shareholders have the ability to exercise significant influence over certain corporate actions.

Drs. Amina and Isa Odidi, our President, Chief Operating Officer and Co-Chief Scientific Officer and our Chairman, Chief Executive Officer and Co-Chief Scientific Officer, respectively, and principal shareholders of our Company, and Odidi Holdings Inc., a privately-held company controlled by Drs. Amina and Isa Odidi, owned in the aggregate approximately 13.28% of our issued and outstanding Common Shares as of October 8, 2018 (and collectively beneficially owned in the aggregate approximately 23.6% of our Common Shares, including Common Shares issuable upon the exercise of outstanding options and the conversion of the 2013 Debenture and 2018 Debenture that are exercisable or convertible within 60 days of the date hereof). As a result, these principal shareholders have the ability to exercise significant influence over all matters submitted to our shareholders for approval.

We may be classified as a “passive foreign investment company” for U.S. income tax purposes, which could have significant and adverse tax consequences to U.S. investors.

The possible classification of our Company as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes could have significant and adverse tax consequences for U.S. Holders (as defined below) of our Common Shares and Warrants. It may be possible for U.S. Holders of Common Shares, but not holders of Warrants with respect to periods prior to exercise, to mitigate certain of these consequences by making an election to treat us as a “qualified electing fund” or “QEF” under Section 1295 of the Internal Revenue Code (the “Code”) (a “QEF Election”) or a mark-to-market election under Section 1296 of the Code. A non-U.S. corporation generally will be a PFIC if, for a taxable year (a) 75% or more of the gross income of such corporation for such taxable year consists of specified types of passive income or (b) on average, 50% or more of the assets held by such corporation either produce passive income or are held for the production of passive income, based on the fair market value of such assets (or on the adjusted tax basis of such assets, if such non-U.S. corporation is not publicly traded and either is a “controlled foreign corporation” under Section 957(a) of the Code, or makes an election to determine whether it is a PFIC based on the adjusted basis of the assets).

The determination of whether we are, or will be, a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to various interpretations. Although the matter is not free from doubt, we believe that we were not a PFIC during our 2017 taxable year and will not likely be a PFIC during our 2018 taxable year. Because PFIC status is based on our income, assets and activities for the entire taxable year, and our market capitalization, it is not possible to determine whether we will be characterized as a PFIC for the 2018 taxable year until after the close of the taxable year. The tests for determining PFIC status are subject to a number of uncertainties. These tests are applied annually, and it is difficult to accurately predict future income, assets and activities relevant to this determination. In addition, because the market price of our Common Shares is likely to fluctuate, the market price may affect the determination of whether we will be considered a PFIC. There can be no assurance that we will not be considered a PFIC for any taxable year (including our 2018 taxable year). Absent one of the elections described above, if we are a PFIC for any taxable year during which a U.S. Holder holds our Common Shares, we generally will continue to be treated as a PFIC with respect to those holders regardless of whether we cease to meet the PFIC tests in one or more subsequent years. Accordingly, no assurance can be given that we will not constitute a PFIC in the current (or any future) tax year or that the Internal Revenue Service (the “IRS”) will not challenge any determination made by us concerning our PFIC status.

If we are a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of our Common Shares will depend on whether such U.S. Holder makes a QEF or mark-to-market election. A U.S. Holder may only make a QEF election if we agree to provide certain tax information to such holder annually. At this time, we do not intend to provide U.S. Holders with such information as may be required to make a QEF election effective.

Unless otherwise provided by the IRS, a U.S. holder of our Common Shares is generally required to file an informational return annually to report its ownership interest in the Company during any year in which we are a PFIC. If we are a PFIC for one or more years in which a U.S. Holder holds a Warrant prior to exercise, it is possible that such holder could recognize gain on the sale, exchange or disposition of that Warrant that it would not otherwise recognize if we were not a PFIC and any U.S. income tax imposed on the holder with respect to the inclusion of such gain or the inclusion of a pro rata share of our income in his, her or its income following exercise of such Warrant could result in an interest charge payable on such holder’s tax liability that is calculated back to the first year in which such holder held that Warrant in which we were considered to be a PFIC.

The foregoing only speaks to the United States federal income tax considerations as to the Code in effect on the date of this prospectus.

Loss of key scientists and/or failure to attract qualified personnel could limit our growth and negatively impact our operations.

We are dependent upon the scientific expertise of Dr. Isa Odidi, our Chairman Chief Executive Officer and Co-Chief Scientific Officer, and Dr. Amina Odidi, our President, Chief Operating Officer and Co-Chief Scientific Officer. Although we employ other qualified scientists, Drs. Isa and Amina Odidi are our only employees with the knowledge and experience necessary for us to continue the development of controlled-release products. We do not maintain key-person life insurance on any of our officers or employees. Although we have employment agreements with key members of our management team, each of our employees may terminate his or her employment at any time. The success of our business depends, in large part, on our continued ability to attract and retain highly qualified management, scientific, manufacturing and sales and marketing personnel, on our ability to successfully integrate new employees, and on our ability to develop and maintain important relationships with leading research and medical institutions and key distributors. If we lose the services of our executive officers or other qualified personnel or are unable to attract and retain qualified individuals to fill these roles or develop key relationships, our business, financial condition and results of operations could be materially adversely affected.

We may be subject to product liability claims for which we may not have or be able to obtain adequate insurance coverage.

The testing and marketing of pharmaceutical products entails an inherent risk of product liability. Liability exposures for pharmaceutical products can be extremely large and pose a material risk. In some instances, we may be or may become contractually obligated to indemnify third parties for such liability. Our business may be materially and adversely affected by a successful product liability claim or claims in excess of any insurance coverage that we may have. Further, even if claims are not successful, the costs of defending such claims and potential adverse publicity could be harmful to our business.

While we currently have, and in some cases are contractually obligated to maintain, insurance for our business, property and our products as they are administered in bioavailability/bioequivalence studies, first and third party insurance is increasingly costly and narrow in scope. Therefore, we may be unable to meet such contractual obligations or we may be required to assume more risk in the future. If we are subject to third party claims or suffer a loss or damage in excess of our insurance coverage, we may be required to bear that risk in excess of our insurance limits. Furthermore, any first or third party claims made on our insurance policy may impact our ability to obtain or maintain insurance coverage at reasonable costs or at all in the future. Any of the foregoing may have a material adverse effect on our business and financial condition.

We are subject to currency rate fluctuations that may impact our financial results.

Although our financial results are reported in U.S. dollars and our revenues are payable in U.S. dollars, a majority of our expenses are payable in Canadian dollars. Our financial condition may be affected by movements of the U.S. dollar against the Canadian dollar. There may be instances where we have net foreign currency exposure. Any fluctuations in exchange rates may have an adverse effect on our financial results.

Our operations may be adversely affected by risks associated with international business.

We may be subject to certain risks that are inherent in an international business, including:

- varying regulatory restrictions on sales of our products to certain markets and unexpected changes in regulatory requirements;
- tariffs, customs, duties, and other trade barriers;
- difficulties in managing foreign operations and foreign distribution partners;
- longer payment cycles and problems in collecting accounts receivable;
- political risks;
- foreign exchange controls that may restrict or prohibit repatriation of funds;
- export and import restrictions or prohibitions, and delays from customs brokers or government agencies;
- seasonal reductions in business activity in certain parts of the world; and
- potentially adverse tax consequences.

Depending on the countries involved, any or all of the foregoing factors could materially harm our business, financial condition and results of operations.

We cannot ensure the availability of raw materials.

Certain raw materials necessary for the development and subsequent commercial manufacture of our product candidates may be proprietary products of other companies. While we attempt to manage the risk associated with such proprietary raw materials through contractual provisions in supply contracts, by management of inventory and by continuing to search for alternative authorized suppliers of such materials or their equivalents, if our efforts fail, or if there is a material shortage, contamination, and/or recall of such materials, the resulting scarcity could adversely affect our ability to develop or manufacture our product candidates. In addition, many third party suppliers are subject to governmental regulation and, accordingly, we are dependent on the regulatory compliance of, as well as on the strength, enforceability and terms of our various contracts with, these third party suppliers.

Further, the FDA requires identification of raw material suppliers in applications for approval of drug products. If raw materials are unavailable from a specified supplier, the supplier does not give us access to its technical information for our application or the supplier is not in compliance with FDA or other applicable requirements, FDA approval of the supplier could delay the manufacture of the drug involved. Any inability to obtain raw materials on a timely basis, or any significant price increases which cannot be passed on to our customers, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

There has been an increased public awareness of the problems associated with the potential for abuse of opioid-based medications.

There has been increasing legislative attention to opioid abuse in the U.S., including passage of the 2016 Comprehensive Addiction and Recovery Act and the 21st Century Cures Act, which, among other things, strengthens state prescription drug monitoring programs and expands educational efforts for certain populations. These laws could result in fewer prescriptions being written for opioid drugs, which could impact future sales of our Oxycodone ER and related opioid product candidates.

Federal, state and local governmental agencies have increased their level of scrutiny of commercial practices of companies marketing and distributing opioid products, resulting in investigations, litigation and regulatory intervention affecting other companies. A number of counties and municipalities have filed lawsuits against pharmaceutical wholesale distributors, pharmaceutical manufacturers and retail chains related to the distribution of prescription opioid pain medications. Policy makers and regulators are seeking to reduce the impact of opioid abuse on families and communities and are focusing on policies aimed at reversing the potential for abuse. In furtherance of those efforts, the FDA has developed an Action Plan and has committed to enhance safety labeling, require new data, strengthen post-market requirements, update the Risk Evaluation and Mitigation Strategy program, expand access to and encourage the development of abuse-deterrent formulations and alternative treatments, and re-examine the risk-benefit profile of opioids to consider the wider public health effects of opioids, including the risk of misuse. Several states also have passed laws and have employed other clinical and public health strategies to curb prescription drug abuse, including prescription limitations, increased physician education requirements, enhanced monitoring programs, tighter restrictions on access, and greater oversight of pain clinics. This increasing scrutiny and related governmental and private actions, even if not related to a product that we intend to manufacture and commercialize, could have an unfavorable impact on the overall market for opioid-based products such as our Oxycodone ER product candidate, or otherwise negatively affect our business.

We have limited manufacturing, sales, marketing or distribution capability and rely upon third parties.

While we have our own manufacturing facility in Toronto, we rely on third-party manufacturers to supply pharmaceutical ingredients, and we will be reliant upon a third-party manufacturer to produce certain of our products and product candidates. Third-party manufacturers may not be able to meet our deadlines or adhere to quality standards and specifications. Our reliance on third parties for the manufacture of pharmaceutical ingredients and finished products creates a dependency that could severely disrupt our research and development, our clinical testing, and ultimately our sales and marketing efforts if such third party manufacturers fail to perform satisfactorily, or do not adequately fulfill their obligations. If our manufacturing operation or any contracted manufacturing operation is unreliable or unavailable, we may not be able to move forward with our intended business operations and our entire business plan could fail. There is no assurance that our manufacturing operation or any third-party manufacturers will be able to meet commercialized scale production requirements in a timely manner or in accordance with applicable standards or current Good Manufacturing Process.

Competition in our industry is intense, and developments by other companies could render our products and product candidates obsolete.

Many of our competitors, including medical technology, pharmaceutical or biotechnology and other companies, universities, government agencies, or research organizations, have substantially greater financial and technical resources and production and marketing capabilities than we have. They also may have greater experience in conducting bioequivalence studies, preclinical testing and clinical trials of pharmaceutical products, obtaining FDA and other regulatory approvals, and ultimately commercializing any approved products. Therefore, our competitors may succeed in developing and commercializing technologies and products that are more effective than the drug delivery technologies we have developed or we are developing or that will cause our technologies or products to become obsolete or non-competitive. In addition, such competitors may obtain FDA approval for products faster than us. Any of the foregoing could render our products obsolete and uncompetitive, which would have a material adverse effect on our business, financial condition and results of operations. Even if we commence further commercial sales of our products, we will be competing against the greater manufacturing efficiency and marketing capabilities of our competitors, areas in which we have limited or no experience.

We rely on collaborative arrangements with third parties that provide manufacturing and/or marketing support for some or all of our products and product candidates. Even if we find a potential partner, we may not be able to negotiate an arrangement on favorable terms or achieve results that we consider satisfactory. In addition, such arrangements can be terminated under certain conditions and do not assure a product's success. We also face intense competition for collaboration arrangements with other pharmaceutical and biotechnology companies.

Although we believe that our ownership of patents for some of our drug delivery products will limit direct competition for such products, we must also compete with established existing products and other technologies, products and delivery alternatives that may be more effective than our products and proposed products. In addition, we may not be able to compete effectively with other commercially available products or drug delivery technologies.

We rely on commercial partners, and may rely on future commercial partners, to market and commercialize our products and, if approved, our product candidates, and one or more of those commercial partners may fail to develop and effectively commercialize our current, and any future, products.

Our core competency and strategic focus is on drug development and we now, and may in the future, utilize strategic commercial partners to assist in the commercialization of our products and our product candidates, if approved by the FDA. If we enter into strategic partnerships or similar arrangements, we will rely on third parties for financial resources and for commercialization, sales and marketing. Our commercial partners may fail to develop or effectively commercialize our current, and any future products, for a variety of reasons, including, among others, intense competition, lack of adequate financial or other resources or focus on other initiatives or priorities. Any failure of our third-party commercial partners to successfully market and commercialize our products and product candidates would diminish our revenues.

Our business can be impacted by wholesaler buying patterns, increased generic competition and, to a lesser extent, seasonal fluctuations, which may cause our operating results to fluctuate.

We believe that the revenues derived from our generic Focalin XR® capsules and generic Seroquel XR® tablets are subject to wholesaler buying patterns, increased generic competition negatively impacting price, margins and market share consistent with industry post-exclusivity experience and, to a lesser extent, seasonal fluctuations in relation to generic Focalin XR® capsules (as these products are indicated for conditions including attention deficit hyperactivity disorder which we expect may see increases in prescription rates during the school term and declines in prescription rates during the summer months). Accordingly, these factors may cause our operating results to fluctuate.

Our business and operations are increasingly dependent on information technology and accordingly we would suffer in the event of computer system failures, cyber-attacks or a deficiency in cyber-security.

Our internal computer systems, and those of a current and/or future drug development or commercialization partner of ours, may be vulnerable to damage from cyber-attacks, computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures. The risk of a security breach or disruption, particularly through cyber-attacks, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions have increased. If such an event were to occur and cause interruptions in our operations or those of a drug development or commercialization partner, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach results in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur significant liability and damage to our reputation. In addition, further development of our drug candidates could be adversely affected.

Market acceptance of our products will be limited if users of our products are unable to obtain adequate reimbursement from third-party payers.

Government health administration authorities, private health insurers and other organizations generally provide reimbursement for products like ours, and our commercial success will depend in part on whether appropriate reimbursement levels for the cost of our products and related treatments are obtained from government authorities, private health insurers and other organizations, such as health maintenance organizations and managed care organizations. Even if we succeed in bringing any of our products to market, third-party payers may not provide reimbursement in whole or in part for the use of such products.

Significant uncertainty exists as to the reimbursement status of newly approved health care products. Some of our product candidates, such as our once-daily Oxycodone ER, are intended to replace or alter existing therapies or procedures. These third-party payers may conclude that our products are less safe, less effective or less economical than those existing therapies or procedures. Therefore, third-party payers may not approve our products for reimbursement. We may be required to make substantial pricing concessions in order to gain access to the formularies of large managed-care organizations. If third party payers do not approve our products for reimbursement or fail to reimburse them adequately, sales will suffer as some physicians or their patients may opt for a competing product that is approved for reimbursement or is adequately reimbursed. Even if third-party payers make reimbursement available, these payers' reimbursement policies may adversely affect our ability and our potential marketing and distribution partners' ability to sell our products on a profitable basis.

Our products and product candidates, if approved for sale, may not gain acceptance among physicians, patients and the medical community, thereby limiting our potential to generate revenue.

Even if we are able to obtain regulatory approvals for our product candidates, the success of any of our products will be dependent upon market acceptance by physicians, healthcare professionals and third-party payers and our profitability and growth will depend on a number of factors, including:

- demonstration of safety and efficacy;
- changes in the practice guidelines and the standard of care for the targeted indication;
- relative convenience and ease of administration;
- the prevalence and severity of any adverse side effects;
- the availability of alternative products from competitors;
- the prices of our products relative to those of our competitors;
- pricing, reimbursement and cost effectiveness, which may be subject to regulatory control;
- the number of competitive product entries, and the nature and extent of any aggressive pricing and rebate activities that may follow;
- the timing of our market entry;
- the ability to market our products effectively at the retail level;
- the acceptance of our products by government and private formularies; and
- the availability of adequate third-party insurance coverage or reimbursement.

If any product candidate that we develop does not provide a treatment regimen that is as beneficial as, or is perceived as being as beneficial as, the current standard of care or otherwise does not provide patient benefit, that product candidate, if approved for commercial sale by the FDA or other regulatory authorities, likely will not achieve market acceptance. Our ability to effectively promote and sell any approved products will also depend on pricing and cost-effectiveness, including our ability to produce a product at a competitive price and our ability to obtain sufficient third-party coverage or reimbursement. If any product candidate is approved but does not achieve an adequate level of acceptance by physicians, patients and third-party payers, our ability to generate revenues from that product would be substantially reduced. In addition, our efforts to educate the medical community and third-party payers on the benefits of our product candidates may require significant resources, may be constrained by FDA rules and policies on product promotion, and may never be successful.

Risks Relating to this Offering and our Securities

Our management will have broad discretion in allocating the net proceeds of this offering and may use the proceeds in ways with which you disagree.

Our management has significant flexibility in applying the net proceeds we expect to receive in this offering. Because the net proceeds are not required to be allocated to any specific product, investment or transaction, and therefore you cannot determine at this time the value or propriety of our application of those proceeds, you and other shareholders may not agree with our decisions. In addition, our use of the proceeds from this offering may not yield a significant return or any return at all for our shareholders. The failure by our management to apply these funds effectively could have a material adverse effect on our business, results of operations or financial condition. See “Use of Proceeds” for a further description of how management intends to apply the proceeds from this offering.

You will experience immediate dilution in the book value of your investment.

Because the effective price per Common Share included in the Units or issuable upon exercise of the Pre-Funded Warrants included in the Pre-Funded Units being offered may be higher than the net tangible book value per Common Share, you will experience dilution to the extent of the difference between the effective public offering price per Common Share you pay in this offering and the net tangible book value per Common Share immediately after this offering. Our net tangible book value as of May 31, 2018, was approximately \$(1.03) million, or \$(0.24) per Common Share. Net tangible book value per share is equal to our total tangible assets minus total liabilities, all divided by the number of Common Shares outstanding. See “Dilution” on page 20 for a more detailed discussion of the dilution you will incur in this offering.

In addition to this offering, subject to market conditions and other factors, it is likely that we will pursue additional financings in the future, as we continue to develop our business. In future years, we will likely need to raise significant additional capital to finance our operations and to fund bioequivalence studies and clinical trials for the advancement of product development, as well as for regulatory submissions and the development, manufacture and marketing of other products under development and new product opportunities. Accordingly, we may conduct substantial future offerings of equity or debt securities. The exercise of outstanding options and warrants and future equity issuances, including future public offerings or future private placements of equity securities and any additional Common Shares issued in connection with acquisitions, will result in dilution to investors. In addition, the market price of our Common Shares could fall as a result of resales of any of these Common Shares due to an increased number of Common Shares available for sale in the market.

There is no public market for the Warrants or the Pre-Funded Warrants.

There is no established public trading market for the Warrants or the Pre-Funded Warrants, and we do not expect a market to develop. In addition, we do not intend to apply to list the Warrants or the Pre-Funded Warrants on any national securities exchange or other nationally recognized trading system, including Nasdaq. Without an active market, the liquidity of the Warrants or the Pre-Funded Warrants will be limited.

The Warrants and the Pre-Funded Warrants in this offering are speculative in nature.

Neither the Warrants nor the Pre-Funded Warrants in this offering confer any rights of Common Share ownership on its holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price during a fixed period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Common Shares and pay an exercise price of \$ per Common Share, subject to certain adjustments, prior to the expiration of the Warrants.

Moreover, following this offering, the market value of the Warrants and the Pre-Funded Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants or the Pre-Funded Warrants will equal or exceed their imputed offering price.

There is no public market for the Warrants or the Pre-Funded Warrants to purchase shares of our Common Shares included in the Units and the Pre-Funded Units being offered by us in this offering.

There is no established public trading market for the Warrants or the Pre-Funded Warrants included in the Units and the Pre-Funded Units being offered in this offering, and we do not expect a market to develop. In addition, we do not intend to apply to list the Warrants or the Pre-Funded Warrants on any national securities exchange or other nationally recognized trading system, including Nasdaq. Without an active market, the liquidity of the Warrants and the Pre-Funded Warrants will be limited.

Sales of a significant number of our Common Shares in the public markets, or the perception that such sales could occur, could depress the market price of the Common Shares.

Sales of a substantial number of our Common Shares or securities convertible or exchangeable into Common Shares in the public markets could depress the market price of the Common Shares and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of Common Shares would have on the market price of our Common Shares.

In order to raise additional capital, we intend to offer additional Common Shares or other securities convertible into or exchangeable for our Common Shares. In addition, a substantial portion of our Common Shares are currently freely trading without restriction under the U.S. Securities Act, having been registered for resale or held by their holders for over six months and are eligible for sale under Rule 144. If the holders of our registered Common Shares choose to sell such shares in the public market or if holders of our convertible securities exercise or convert their securities and sell the underlying Common Shares in the public market, or if holders of currently restricted Common Shares choose to sell such shares in the public market, the prevailing market price of our Common Shares may decline. The sale of shares issued upon the exercise of our securities convertible into or exchangeable for our Common Shares could also further dilute the holdings of our then-existing shareholders. In addition, future public sales by holders of our Common Shares could impair our ability to raise capital through equity offerings.

Upon completion of this offering, based on our shares outstanding as of May 31, 2018, we will have 13,049,330 Common Shares outstanding (post reverse-split) based on the issuance and sale of 8,695,652 Units in this offering, assuming no sale of any Pre-Funded Units. Of these shares, 597,811 shares are subject to a contractual lock-up with the underwriter for this offering for a period of 90 days following this offering. These shares can be sold, subject to any applicable volume limitations under federal securities laws, after the earlier of the expiration of, or release from, the 90-day lock-up period. The balance of our outstanding Common Shares, including any Common Shares included in the Units, and Common Shares issuable upon the exercise of the Warrants or the Pre-Funded Warrants, other than shares acquired by our current shareholders who are also subject to the contractual lock-up, may be resold in the public market immediately without restriction, unless owned or purchased by our affiliates.

As of October 8, 2018, there are currently Common Shares issuable upon the exercise of outstanding options and warrants and deferred share units and the conversion of the 2013 Debenture and 2018 Debenture into an aggregate of approximately 211,666 Common Shares, excluding the securities offered hereby. To the extent any of our options and warrants are exercised and the 2013 Debenture or the 2018 Debenture is converted, a shareholder's percentage ownership will be diluted and our stock price could be further adversely affected. Moreover, the market price of the shares could drop significantly if the holders of these shares sell them or if the market perceives that the holders intend to sell these shares.

The market price of our Common Shares could decline as a result of sales of Common Shares or securities that are convertible into or exchangeable for, or that represent the right to receive, our Common Shares after this offering or the perception that such sales could occur.

Our Common Shares will be delisted from the Nasdaq Capital Market if we do not satisfy certain requirements of the Nasdaq Hearing Panel by October 17, 2018.

On April 20, 2018, we received notice of the determination of the Nasdaq Staff to delist our Common Shares as a result of the failure to meet either the minimum market value requirement or the minimum shareholders' equity requirement for continued listing. After an appeal before the Nasdaq Hearings Panel (the "Panel"), the Panel approved our request for continued listing provided that by September 28, 2018, we (i) comply with Nasdaq's \$1.00 bid price requirement by having a closing bid price of over \$1.00 for ten consecutive trading days, (ii) have a stockholders' equity position of over \$2.5 million and (iii) provide the Panel with updated financial projections demonstrating our ability to maintain compliance with the stockholders' equity rule for the coming year. Following receipt of shareholder approval for a reverse stock split (known as a share consolidation under Canadian law) at the Company's August 15, 2018 shareholders meeting, on September 12, 2018, the Company filed articles of amendment to effectuate a 1-for-10 reverse split, and the Company's common shares began trading on each of Nasdaq and the Toronto Stock Exchange on a post-reverse split basis on September 14, 2018. As a result of the closing bid price of the Company's common shares exceeding \$1.00 for the period from September 14, 2018 to September 27, 2018, the Company regained compliance with the minimum bid price requirement. On September 29, 2018, the Company was advised that the Panel granted an extension through October 17, 2018 for the Company to regain compliance with Nasdaq's stockholders' equity requirement. There is no assurance that the Company will be able to regain compliance with Nasdaq's stockholders' equity requirements, or if it does, that the Company will be able to maintain compliance with Nasdaq's listing requirements. If we are unable to maintain compliance with Nasdaq's continued listing requirements, our Common Shares may no longer be listed on Nasdaq or another U.S. national securities exchange and the liquidity and market price of our Common Shares may be adversely affected. If our Common Shares are delisted from Nasdaq, they may trade in the U.S. on the over-the-counter market, which is a less liquid market. In such case, our shareholders' ability to trade, or obtain quotations of the market value of, our Common Shares would be severely limited because of lower trading volumes and transaction delays. These factors could contribute to lower prices and larger spreads in the bid and ask prices for our securities. In addition, delisting could harm our ability to raise capital through alternative financing sources on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors, employees and fewer business development opportunities.

If our Common Shares are not listed on a national securities exchange, compliance with applicable state securities laws may be required for subsequent offers, transfers and sales of the Common Shares and warrants offered hereby.

Because our Common Shares are currently listed on Nasdaq, we are not required to register or qualify in any state the subsequent offer, transfer or sale of the Common Shares. If our Common Shares are delisted from Nasdaq and are not eligible to be listed on another national securities exchange, subsequent transfers of our Common Shares offered hereby by U.S. holders may not be exempt from state securities laws. In such event, it will be the responsibility of the holder of Common Shares to register or qualify the Common Shares for any subsequent offer, transfer or sale in the United States or to determine that any such offer, transfer or sale is exempt under applicable state securities laws.

On September 12, 2018, we effectuated a reverse split of our outstanding Common Shares in order to meet the Nasdaq minimum bid price requirement; however, no assurance can be given that the reverse split will increase our share price.

In order to maintain our continued listing on Nasdaq, we have to meet certain continued listing criteria by October 17, 2018. In connection with the minimum bid price requirement, on August 15, 2018, at a special meeting of shareholders, our shareholders granted our Board of Directors discretionary authority to implement a reverse split of our Common Shares on the basis of a ratio to be selected by the Board within a range between 5 pre-consolidation Common Shares for 1 post-consolidation Common Share and 15 pre-consolidation Common Shares for 1 post-consolidation Common Share. On September 12, 2018, we filed articles of amendment with the Director under the CBCA pursuant to which ten pre-consolidation Common Shares were consolidated into one post-consolidation Common Share. Our common shares began trading on each of Nasdaq and TSX on a post-reverse split basis at the open of market on September 14, 2018.

The reverse split could result in a significant devaluation of our market capitalization and trading price of the Common Shares. We expect that the reverse split of the outstanding Common Shares will increase the market price of the Common Shares. However, no assurance can be given that the reverse split will lead to a sustained increase in the trading price or the trading market for our Common Shares or that the market price per share of our Common Shares after the reverse split will rise in proportion to the reduction in the number of pre-split Common Shares outstanding before the reverse split, or that the market price per share post-reverse split will remain in excess of the \$1.00 minimum closing bid price as required by the Nasdaq Marketplace Rules or that we will otherwise meet the requirements for continued trading on Nasdaq.

The market price of our Common Shares may be based on our performance and other factors, some of which are unrelated to the number of shares outstanding. If the trading price of our Common Shares declines, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would occur in the absence of the reverse split. Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of shares outstanding after the reverse split and this could have an adverse effect on the market price of the Common Shares. If the market price of the Common Shares declines subsequent to the effectiveness of the reverse split, this will detrimentally impact our market capitalization and the market value of our public float. The reverse split may result in some shareholders owning “odd lots” of less than 100 Common Shares on a post-reverse split basis that may be more difficult to sell or require greater transaction costs per share to sell. As a result of the reverse split, certain shareholders may no longer have any equity interest in us and therefore would not participate in our future earnings or growth, if any. The reverse split may not help generate additional investor interest. There can be no assurance that the reverse split will result in a per share price that will attract or satisfy the investing guidelines of institutional investors or investment funds. As a result, the trading liquidity of our Common Shares may not necessarily improve.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements included and incorporated by reference in this prospectus constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and/or “forward-looking information” under the Securities Act (Ontario). These statements include, without limitation, statements expressed or implied regarding our expectations regarding the completion of this offering, the expected gross proceeds, the expected use of proceeds and the expected closing of the offering, our expectations regarding the one-for-ten reverse split, our ability to realize any anticipated benefits from the reverse split, our plans, goals and milestones, status of developments or expenditures relating to our business, plans to fund our current activities, and statements concerning our partnering activities, health regulatory submissions, strategy, future operations, future financial position, future sales, revenues and profitability, projected costs, and market penetration. In some cases, you can identify forward-looking statements by terminology such as “appear,” “unlikely,” “target,” “may,” “will,” “should,” “expects,” “plans,” “plans to,” “anticipates,” “believes,” “estimates,” “predicts,” “confident,” “prospects,” “potential,” “continue,” “intends,” “look forward,” “could,” “would,” “projected,” “goals,” “set to,” “seeking,” or the negative of such terms or other comparable terminology. We made a number of assumptions in the preparation of our forward-looking statements. You should not place undue reliance on our forward-looking statements, which are subject to a multitude of known and unknown risks and uncertainties that could cause actual results, future circumstances or events to differ materially from those stated in or implied by the forward-looking statements.

Risks, uncertainties and other factors that could affect our actual results include, but are not limited to, the effects of general economic conditions, securing and maintaining corporate alliances, our estimates regarding our capital requirements, and the effect of capital market conditions and other factors, including the current status of our product development programs, on capital availability, the estimated proceeds (and the expected use of any proceeds) we may receive from this or any other offering of our securities, the potential dilutive effects of this or any future financing, potential liability from and costs of defending pending or future litigation, our ability to maintain compliance with the continued listing requirements of the principal markets on which our securities are traded, including risks or uncertainties related to our ability to implement our plan to comply with Nasdaq’s continued listing standards, our programs regarding research, development and commercialization of our product candidates, the timing of such programs, the timing, costs and uncertainties regarding obtaining regulatory approvals to market our product candidates and the difficulty in predicting the timing and results of any product launches, the timing and amount of profit-share payments from our commercial partners, and the timing and amount of any available investment tax credits. Other factors that could cause actual results to differ materially include but are not limited to:

- the actual or perceived benefits to users of our drug delivery technologies, products and product candidates as compared to others;
- our ability to establish and maintain valid and enforceable intellectual property rights in our drug delivery technologies, products and product candidates;
- the scope of protection provided by intellectual property rights for our drug delivery technologies, products and product candidates;
- recent and future legal developments in the United States and elsewhere that could make it more difficult and costly for us to obtain regulatory approvals for our product candidates and negatively affect the prices we may charge;
- increased public awareness and government scrutiny of the problems associated with the potential for abuse of opioid-based medications, pursuing growth through international operations could strain our resources;
- our limited manufacturing, sales, marketing or distribution capability and our reliance on third parties for such;
- the actual size of the potential markets for any of our products and product candidates compared to our market estimates;
- our selection and licensing of products and product candidates;
- our ability to attract distributors and/or commercial partners with the ability to fund patent litigation and with acceptable product development, regulatory and commercialization expertise and the benefits to be derived from such collaborative efforts;
- sources of revenues and anticipated revenues, including contributions from distributors and commercial partners, product sales, license agreements and other collaborative efforts for the development and commercialization of product candidates;
- our ability to create an effective direct sales and marketing infrastructure for products we elect to market and sell directly;
- the rate and degree of market acceptance of our products;
- delays in product approvals that may be caused by changing regulatory requirements;
- the difficulty in predicting the timing of regulatory approval and launch of competitive products;
- the difficulty in predicting the impact of competitive products on volume, pricing, rebates and other allowances;
- the number of competitive product entries, and the nature and extent of any aggressive pricing and rebate activities that may follow;
- the inability to forecast wholesaler demand and/or wholesaler buying patterns;
- seasonal fluctuations in the number of prescriptions written for our generic Focalin XR® capsules, and our generic Seroquel XR® tablets, which may produce substantial fluctuations in revenue;
- the timing and amount of insurance reimbursement regarding our products;
- changes in laws and regulations affecting the conditions required by the FDA for approval, testing and labeling of drugs including abuse or overdose deterrent properties, and changes affecting how opioids are regulated and prescribed by physicians;

- changes in laws and regulations, including Medicare and Medicaid, affecting among other things, pricing and reimbursement of pharmaceutical products;
- the effect of recently-enacted changes in U.S. federal income tax laws, including, but not limited to, limitations on the deductibility of business interest, limitations on the use of net operating losses and application of the base erosion minimum tax, on our U.S. corporate income tax burden;
- the success and pricing of other competing therapies that may become available;
- our ability to retain and hire qualified employees;
- the availability and pricing of third-party sourced products and materials;
- challenges related to the development, commercialization, technology transfer, scale-up, and/or process validation of manufacturing processes for our products or product candidates;
- the manufacturing capacity of third-party manufacturers that we may use for our products;
- potential product liability risks;
- the recoverability of the cost of any pre-launch inventory should a planned product launch encounter a denial or delay of approval by regulatory bodies, a delay in commercialization, or other potential issues;
- the successful compliance with FDA, Health Canada and other governmental regulations applicable to us and our third-party manufacturers' facilities, products and/or businesses;
- our reliance on commercial partners, and any future commercial partners, to market and commercialize our products and, if approved, our product candidates;
- difficulties, delays or changes in the FDA approval process or test criteria for ANDAs and NDAs;
- challenges in securing final FDA approval for our product candidates, including our Oxycodone ER product candidate in particular, if a patent infringement suit is filed against us with respect to any particular product candidates (such as in the case of Oxycodone ER), which could delay the FDA's final approval of such product candidates;
- healthcare reform measures that could hinder or prevent the commercial success of our products and product candidates;
- the FDA may not approve requested product labeling for our product candidate(s) having abuse-deterrent properties and targeting common forms of abuse (oral, intra-nasal and intravenous);
- risks associated with cyber-security and the potential for vulnerability of our digital information or the digital information of a current and/or future drug development or commercialization partner of ours; and
- risks arising from the ability and willingness of our third-party commercialization partners to provide documentation that may be required to support information on revenues earned by us from those commercialization partners.

Additional risks and uncertainties relating to us and our business can be found in the "Risk Factors" section of this prospectus, as well as in our other public filings incorporated by reference herein. The forward-looking statements reflect our current views with respect to future events, and are based on what we believe are reasonable assumptions as of the date hereof, and we disclaim any intention and have no obligation or responsibility, except as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Nothing contained in this document should be construed to imply that the results discussed herein will necessarily continue into the future or that any conclusion reached herein will necessarily be indicative of our actual operating results.

EXCHANGE RATE INFORMATION

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars in effect at the end of each of the following periods; the average rate of exchange for those periods; and the rate of exchange in effect at the end of each of those periods, each based on the closing rate published by the Bank of Canada.

	Period-End	Average for Period	Low	High
Year Ended November 30:	(Cdn dollar per U.S. dollar)			
2013	1.0620	1.0241	0.9837	1.0620
2014	1.1440	1.0971	1.0587	1.1440
2015	1.3353	1.2603	1.1328	1.3418
2016	1.3429	1.3276	1.2536	1.4559
2017	1.2888	1.3030	1.2128	1.3743
Month Ended:				
January 31, 2018	1.2293	1.2427	1.2293	1.2535
February 28, 2018	1.2809	1.2586	1.2288	1.2809
March 31, 2018	1.2894	1.2932	1.2830	1.3088
April 30, 2018	1.2836	1.2733	1.2552	1.2908
May 31, 2018	1.2948	1.2873	1.2775	1.3020
June 30, 2018	1.3168	1.3129	1.2913	1.3310
July 31, 2018	1.3017	1.3130	1.3017	1.3255
August 31, 2018	1.3055	1.3041	1.2917	1.3152
September 30, 2018	1.2945	1.3037	1.2905	1.3188
October 1, 2018 (up to October 9, 2018)	1.2965	1.2876	1.2803	1.2965

On October 9, 2018, the closing rate for Canadian dollars in terms of the United States dollar, as reported by the Bank of Canada, was U.S. \$1.00=Cdn\$1.2965 or Cdn\$1.00=U.S. \$0.7713.

DILUTION

If you invest in Common Shares in this offering, your interest will be diluted to the extent of the difference between the effective public offering price per Common Share included in the Units or issuable upon the exercise of the Pre-Funded Warrants and the pro forma as adjusted net tangible book value per Common Share after this offering. As of May 31, 2018, our historical net tangible book value was approximately \$(1.03) million, or \$(0.24) per Common Share, based on 4,353,678 Common Shares outstanding as of May 31, 2018 (post-reverse split). Our historical net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities, divided by the total number of Common Shares outstanding as of May 31, 2018.

After giving effect to our sale in this offering of Units at an assumed public offering price per Unit of \$1.38, the last reported sale price of our Common Shares on Nasdaq on October 8, 2018, assuming no sale of any Pre-Funded Units in this offering, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, and excluding the proceeds, if any, from the exercise of the Warrants issued in this offering, our as adjusted net tangible book value as of May 31, 2018 would have been approximately \$9.3 million, or \$0.71 per share. This represents an immediate increase of pro forma net tangible book value of \$0.95 per share to our existing shareholders and an immediate dilution of pro forma net tangible book value of \$0.71 per share to investors purchasing Units in this offering. The following table illustrates this per share dilution.

Assumed public offering price per Common Share included in each Unit	\$ 1.38
Net tangible book value (deficit) per share as of May 31, 2018 before giving effect to this offering	\$(0.24)
Increase in net tangible book value per share attributable to this offering	\$ 0.95
As adjusted net tangible book value per share as of May 31, 2018 after giving effect to this offering	\$ 0.71
Dilution per share to investors purchasing in this offering	<u>\$ 0.67</u>

Each \$0.25 increase or decrease in the assumed public offering price per Unit of \$1.38, the last reported sale price of our Common Shares on Nasdaq on October 8, 2018, would increase or decrease our pro forma as adjusted net tangible book value per share after this offering by approximately \$0.15, and increase or decrease the dilution per share to new investors purchasing in this offering by \$0.10, assuming that the number of Units offered by us, as set forth on the cover page of this prospectus, remains the same, assuming no sale of any Pre-Funded Units, after deducting the estimated underwriter discounts and commissions and estimated offering expenses payable by us, and excluding the proceeds, if

any, from the exercise of the Warrants issued pursuant to this offering. We may also increase or decrease the number of Units offered in this offering. Each increase or decrease of 500,000 Units offered by us would increase or decrease our as adjusted net tangible book value per share after this offering by \$0.02, and increase or decrease the dilution per share to new investors purchasing in this offering by \$0.02, assuming the assumed public offering price per Unit of \$1.38 remains the same, assuming no sale of any Pre-Funded Units, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, and excluding the proceeds, if any, from the exercise of the Warrants issued pursuant to this offering. The as-adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering as determined between us and the underwriter at pricing.

If the underwriter exercises its option to purchase additional Units in full, and assuming no sale of any Pre-Funded Units in this offering, the pro forma as adjusted net tangible book value per share after this offering would be \$0.76 per share, the increase in net tangible book value per share to existing shareholders would be \$1.00 per share and the dilution to new investors purchasing Units in this offering would be \$0.62 per share.

The above discussion and table are based on 4,353,678 Common Shares outstanding as of May 31, 2018, actual, and Common Shares outstanding as of May 31, 2018, pro forma, and excludes:

- an aggregate of 558,484 Common Shares issuable upon the exercise of outstanding options, with a weighted average exercise price of U.S. \$31.60 per Common Share;
- up to 153,277 additional Common Shares that have been reserved for issuance in connection with future grants under our stock option plan;
- an aggregate of 824,570 Common Shares issuable upon the exercise of outstanding Common Share purchase warrants, with a weighted average exercise price of U.S. \$9.92 per Common Share;
- an aggregate of 10,279 deferred share units granted to non-management directors (to defer receipt of all or a portion of their Board fees until termination of the Board service and to receive such fees in the form of Common Shares at that time);
- an aggregate of 45,000 Common Shares issuable upon the conversion of the 2013 Debenture;
- an aggregate of 166,666 Common Shares issuable upon the conversion of the 2018 Debenture;
- Common Shares issuable upon exercise of the Pre-Funded Warrants offered hereby at an exercise price of \$0.01 per share;
- 8,695,652 Common Shares issuable upon exercise of the Warrants offered hereby at an exercise price of \$ per share; and
- 521,739 Common Shares issuable upon exercise of the Underwriter's Warrants offered hereby at an exercise price of \$ per share.

To the extent that outstanding options or warrants are exercised, investors purchasing Common Shares in this offering will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

MANAGEMENT

The name and province/state of residence of each of our directors and officers as of the date of this prospectus, the position presently held, principal occupation, and the year each director first became an officer or director of the Company or its predecessor, IntelliPharmaCeutics Ltd., or IPC Ltd., are set forth below. Each director is elected to serve until the next annual meeting of our shareholders or until his or her successor is elected or appointed or until such director's death, resignation or removal. Officers are appointed annually and serve at the discretion of the Board of Directors.

Name and Province of Residence	Position held with the Company	Officer/Director Since
Dr. Isa Odidi Ontario, Canada	Chairman of the Board, Chief Executive Officer and Co-Chief Scientific Officer	September 2004
Dr. Amina Odidi Ontario, Canada	President, Chief Operating Officer, Co-Chief Scientific Officer and Director	September 2004
Andrew Patient Ontario, Canada	Chief Financial Officer	September 2017
Dr. Eldon R. Smith (1) (2) (3) Alberta, Canada	Director	October 2009
Bahadur Madhani (1) (2) (3) Ontario, Canada	Director	March 2006
Shawn Graham (3) New Brunswick, Canada	Director	May 2018
Kenneth Keirstead (1) (2) (3) New Brunswick, Canada	Director	January 2006

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance Committee

John Allport served as the Company's Vice President, Legal Affairs and Licensing and as a director from September 2004 until his resignation effective May 17, 2017. Mr. Allport entered into a consulting agreement with the Company effective May 17, 2017 to provide ongoing services to the Company on an as-needed basis. Michael Campbell served as General Counsel and Corporate Secretary of the Company from July 10, 2017 until his resignation effective February 22, 2018.

Family Relationships

Except Drs. Isa Odidi and Amina Odidi who are spouses to each other, there are no other family relationships among any of our officers and directors.

Isa Odidi, Ph.D., MBA - Chairman, CEO, Co-Chief Scientific Officer and Executive Director

Dr. Isa Odidi has served as Chairman of the Board of the Company and Chief Executive Officer and Co-Chief Scientific Officer of the Company since September 2004. In 1998, Dr. Odidi co-founded IntellipharmaCeutics Inc., the predecessor of publicly-traded IntellipharmaCeutics International Inc. From 1995 to 1998, Dr. Odidi held positions, first as Director, then as Vice President of Research of Drug Development and New Technologies, at Biovail Corporation International, (now Valeant Pharmaceutical International, Inc.), a drug delivery company. Dr. Odidi currently holds a Chair as Professor of Pharmaceutical Technology at the Toronto Institute of Pharmaceutical Technology in Canada and is an Adjunct Professor at the Institute for Molecular Medicine in California. Dr. Odidi holds a bachelor of science degree in pharmacy from Ahmadu Bello University, Nigeria, a master of science in pharmaceutical technology, Ph.D. pharmaceuticals from the University of London, and his MBA from Joseph L. Rotman School of Management, University of Toronto. He is also a graduate of the Western Executive Program, Ivey School of Business at the University of Western Ontario. Dr. Odidi was recently awarded an Honorary Doctor of Science degree (Honoris causa) from the University of Benin, Nigeria.

Amina Odidi, Ph.D. - President, COO, Co-Chief Scientific Officer and Executive Director

Dr. Amina Odidi has served as President, Chief Operating Officer and Co-Chief Scientific Officer of the Company since September 2004. In 1998, Dr. Odidi co-founded IntellipharmaCeutics Inc., the predecessor of publicly-traded IntellipharmaCeutics International Inc. She has extensive experience developing and applying proprietary technologies to the development of controlled-release drug products for third-party pharmaceutical companies. She has invented or co-invented various proprietary controlled delivery devices for the delivery of pharmaceutical, nutraceutical, biological, agricultural and chemical agents. In the past she has worked for the pharmaceutical and health care industry. Dr. Odidi has co-authored eight articles, papers and textbooks. Dr. Odidi holds a bachelor of science in pharmacy, a master of science in biopharmaceutics, and a Ph.D. in pharmaceuticals from the University of London.

Andrew Patient, CPA, CA - Chief Financial Officer

Andrew Patient has served as the Chief Financial Officer of the Company since September 2017. Mr. Patient has more than 20 years' experience with both Nasdaq- and TSX-listed companies, and has deep expertise in all facets of business, including operations, trade, finance, regulatory and business development, both nationally and internationally. In December 2011, Mr. Patient became CFO at Merus Labs International Inc. ("Merus"), a Nasdaq and TSX dual-listed specialty pharmaceutical company that owns, markets and distributes prescription medications. During a five-year period, Mr. Patient helped grow Merus from a one-drug domestic platform to a 12-drug, 36 country international platform. At Merus, Mr. Patient oversaw several significant acquisitions, and implemented a low-cost operating model with a light infrastructure footprint. Mr. Patient was responsible for all accounting, finance and treasury functions, including external regulatory reporting, investor relations, and negotiating and executing key agreements for distribution and sales of products. Mr. Patient has been a Chartered Accountant (Ontario) since 1995.

Bahadur Madhani, CM – Non-Executive Director

Bahadur Madhani, an accountant by training, has been a director since March 2006. Since 1983, Mr. Madhani's principal occupation has been President and CEO of Equiprop Management Limited, a Canadian property management company of which he is the principal shareholder. At present, he is also on the Board of the YMCA of Toronto and YMCA Canada. He was previously a member of the advisory board of Quebecor Ontario. He has also served as Chairman of United Way of Toronto, Chairman of the YMCA of greater Toronto, and Chairman of the Nelson Mandela Children's Fund of Canada. Mr. Madhani was awarded membership in the Order of Canada in 2001.

Eldon Smith, OC, MD, FRCPC – Non-Executive Director

Dr. Eldon Smith has been a director of the Company since October 2009. He is President and CEO of Eldon R. Smith and Associates Ltd., a private healthcare consulting company. He is also professor emeritus at the University of Calgary, where he served as the Dean of the Faculty of Medicine subsequent to being Head of the Department of Medicine and the Division of Cardiology. Dr. Smith is past President of the Canadian Cardiovascular Society and served as Chairman of the Scientific Review Committee of the Heart and Stroke Foundation of Canada. Dr. Smith was appointed as an Officer of the Order of Canada in November 2005. In October 2006, Dr. Smith was appointed by the Honorable Tony Clement, Minister of Health, to chair the Steering Committee responsible for developing a new Heart-Health strategy to fight heart disease in Canada. Dr. Smith currently serves on the boards of Canadian Natural Resources Limited and Aston Hill Financial Inc., and Resverlogix Corp.

Kenneth Keirstead – Non-Executive Director

Kenneth Keirstead has served as a director of the Company since January 2006. Mr. Keirstead is educated in clinical biochemistry and business administration. He has worked in the health care delivery and pharmaceutical industries for over 45 years. Since 1998, Mr. Keirstead's principal occupation has been Executive Manager of the Lyceum Group, a Canadian consulting services company primarily active in the health care field, of which he is the founder. In addition, he was President and CEO of Sanofi Winthrop Canada Inc., General Manager of Squibb Medical Systems International, President of Chemfet International and President of Quinton Instruments, among other positions. He has published studies and reports on health care and related services.

Shawn R. Graham – Non-Executive Director

Shawn Graham has been a director of the Company since May 2018. Mr. Graham is the President and CEO of G&R Holdings Inc., which assists companies with developing and implementing global projects and business alliance strategies with a special focus on globalizing with China. From October 2006 until October 2010, Mr. Graham served as 31st Premier of Province of New Brunswick. He is a former Chair of the Council of The Federation, Co-chair of Northeastern Governors and Eastern Canadian Premiers, and Co-chair of a Pan-Canadian trade mission to China. He is currently a member of the advisory board of the faculty of business, University of New Brunswick, Saint John as well as a national board member to Ducks Unlimited Canada. Mr. Graham has been awarded an Honorary Doctor of Laws Degree from the University of New Brunswick.

Committees of the Board of Directors***Audit Committee***

The Audit Committee of the Board monitors our financial activities, policies, and internal control procedures. The Audit Committee assists the Board in fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community, and others with respect to the Company's financial statements, financial reporting process, systems of internal accounting and disclosure controls, performance of the external auditors, and risk assessment and management. The Audit Committee has the power to conduct or authorize investigations into any matters within its scope of responsibilities, with full access to all books, records, facilities and personnel of the Company, its auditors and its legal advisors. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under the Audit Committee Charter, the Audit Committee has the authority to independently retain special legal, accounting, or other consultants to advise it.

The Audit Committee also discusses with the Company's independent auditor the overall scope and plans for their audit. The Audit Committee meets with the independent auditor, with and without management present, to discuss the results of their examination, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Board has adopted a written charter setting forth the authority and responsibilities of the Audit Committee, which is available on our website at <https://ir.intellipharma.com>.

Compensation Committee

The Compensation Committee of the Board is a standing committee of the Board whose primary function is to assist the Board in fulfilling its responsibilities relating to the development, review and periodic approval of the Company's compensation philosophy that attracts and retains key executives and employees, while supporting the overall business strategy and objectives and links compensation with business objectives and organizational performance. In addition, the Compensation Committee is responsible for:

- evaluating and approving all compensation of executive officers including salaries, bonuses and equity compensation that are required to be determined;
- reviewing the Company's option plan, the employee restricted share unit plan and the deferred share unit plan on an annual basis;
- reviewing and making recommendations to the Board on compensation payable to senior officers of the Company to be hired subsequent to the adoption of the Charter; and
- producing a report annually on executive officer compensation for inclusion in the proxy circular of the Company.

The Board has adopted a written charter setting forth the authority and responsibilities of the Compensation Committee, which is available on our website at <https://ir.intellipharma.com>.

Corporate Governance Committee

The Corporate Governance Committee of the Board is a standing committee of the Board whose primary function is to assist the Board in dealing with the corporate governance matters as well as monitoring and making recommendations with respect to the following matters:

- shareholder and investor issues including the adoption of shareholders rights plans and related matters;
- policies regarding management serving on outside boards;
- the Company's Code of Business Conduct and Ethics and compliance therewith, including the granting of any waivers from the application of the Code;
- the Company's Stock Trading Policy and compliance therewith, including reviewing systems for ensuring that all directors and officers of the Company who are required to file insider reports pursuant to the Policy do so;
- the Company's Corporate Disclosure Policy and compliance therewith;
- succession planning key management positions on an annual basis;
- considering minimum stock holding requirements for directors and senior executives;
- reviewing and approving the charters of all Board committees on an annual basis;
- reviewing, reporting and if deemed appropriate recommending to the Board the status of Director compensation in relation to other comparable companies;

- monitoring and making recommendations to management as are considered appropriate regarding the conduct of the Company's business and affairs in a socially responsible manner;
- considering and making recommendations to the Board on such conflicts of interest, if any, as arise in the conduct of business;
- monitoring and communicating with management and other committees to ensure timely and qualitative reporting; and
- such other matters related to the corporate governance of the Company, if any, as may be requested from time to time by the Board.

The Board has adopted a written charter setting forth the authority and responsibilities of the Compensation Committee, which is available on our website at <https://ir.intellipharma.com>.

Executive Compensation

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Company for the fiscal years ended November 30, 2017 and November 30, 2016 in respect of the Chief Executive Officer of the Company, the Chief Financial Officers (current and former), and two other officers of the Company who earned greater than \$150,000 in total compensation in the fiscal year ended November 30, 2017 and November 30, 2016 ("Named Executive Officers").

Name and principal position	Year	Salary	Share-based awards	Option-based awards (1)	Annual incentive plans (2)	All other compensation (3)	Total compensation
Dr. Isa Odidi, Chairman, Chief Executive Officer and Co-Chief Scientific Officer	2017	343,430	-	1,609,573	-	13,676	1,966,680
	2016	340,464	-	703,016	340,464	13,558	1,397,502
Dr. Amina Odidi, President, Chief Operating Officer and Co-Chief Scientific Officer	2017	343,430	-	1,609,573	-	13,676	1,966,680
	2016	340,464	-	703,016	340,464	13,558	1,397,502
John Allport, Former VP Legal Affairs & Licensing (4)	2017	59,676	-	-	-	7,408	67,084
	2016	109,220	-	50,346	56,493	13,558	229,617
Domenic Della Penna, Former Chief Financial Officer (5)	2017	189,662	-	-	-	10,257	199,919
	2016	225,972	-	64,076	112,986	13,558	416,592
Andrew Patient, Chief Financial Officer (5)	2017	54,395	-	19,800	-	3,419	77,614
	2016	-	-	-	-	-	-

Notes:

(1) Represents Black-Scholes value of vesting Common Share option grants.

(2) Bonus awarded at the discretion of the Board.

(3) "All other compensation" includes car allowances and other miscellaneous benefits.

(4) Mr. Allport, a consultant to the Company, served as the Company's Vice President, Legal Affairs and Licensing and as a director from September 2004 until his resignation effective on May 17, 2017.

(5) Mr. Della Penna served as the Company's Chief Financial Officer from November 24, 2014 until his resignation effective on September 6, 2017.

(6) Mr. Patient was appointed as Chief Financial Officer of the Company effective September 6, 2017.

Director Compensation

The following table sets forth all amounts of compensation provided to the non-executive directors (except for Mr. Graham who was elected to the Board in May 2018) for the Company's most recently completed fiscal year.

Name	Fees earned	Share-based awards (1)	Option-based awards (2)	Non-equity incentive plan compensation	All other compensation	Total
Eldon Smith	-	\$ C40,000	\$ C18,442	-	-	\$ C58,442
Kenneth Keirstead	\$ C40,000	-	\$ C18,442	-	-	\$ C58,442
Bahadur Madhani	\$ C45,000	-	\$ C18,442	-	-	\$ C63,442

Notes:

(1) Deferred share units that were earned. Does not include Deferred share units earned in the previous financial year and granted in the most recently completed financial year.

(2) Option-based awards for fiscal year 2017 were issued on November 30, 2017.

Incentive Plan Awards

The following table sets forth all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Number of securities underlying unexercised options	Option exercise price	Option expiration date
Drs. Isa Odidi and Amina Odidi (1)	276,394	\$US36.20	Sept. 10, 2018
Dr. Isa Odidi	30,000	\$C32.70	Feb. 16, 2022
	7,500	\$C18.10	Apr. 13, 2020
	5,000	\$C42.90	Feb. 28, 2019
	7,000	\$C25.20	Nov. 30, 2020
	9,000	\$C24.20	Aug. 31, 2021
	7,000	\$C11.50	Nov. 30, 2022
Dr. Amina Odidi	30,000	\$C32.70	Feb. 16, 2022
	7,500	\$C18.10	Apr. 13, 2020
	5,000	\$C42.90	Feb. 28, 2019
	7,000	\$C25.20	Nov. 30, 2020
	9,000	\$C24.20	Aug. 31, 2021
	7,000	\$C11.50	Nov. 30, 2022
Andrew Patient, Chief Financial Officer (2)	6,000	\$C12.70	Oct. 20, 2027
	1,500	\$C11.50	Nov. 30, 2022
John Allport (3)	25,000	\$C32.70	Feb. 16, 2022
	2,500	\$C18.10	Apr. 13, 2020
	5,000	\$C42.90	Feb. 28, 2019
	4,000	\$C25.20	Nov. 30, 2020
	5,500	\$C24.20	Aug. 31, 2021
Eldon Smith	1,000	\$C28.80	Oct. 22, 2019
	2,500	\$C18.10	Apr. 13, 2020
	3,750	\$C32.20	Nov. 30, 2019
	3,750	\$C42.90	Feb. 28, 2019
	2,000	\$C25.20	Nov. 30, 2020
	3,500	\$C24.20	Aug. 31, 2021
	4,000	\$C11.50	Nov. 30, 2022

Kenneth Keirstead	1,000	\$C28.80	Oct. 22, 2019
	2,500	\$C18.10	Apr. 13, 2020
	3,750	\$C32.20	Nov. 30, 2019
	3,750	\$C42.90	Feb. 28, 2019
	2,000	\$C25.20	Nov. 30, 2020
	3,500	\$C24.20	Aug. 31, 2021
	4,000	\$C11.50	Nov. 30, 2022
Bahadur Madhani	1,000	\$C28.80	Oct. 22, 2019
	2,500	\$C18.10	Apr. 13, 2020
	3,750	\$C32.20	Nov. 30, 2019
	3,750	\$C42.90	Feb. 28, 2019
	2,000	\$C25.20	Nov. 30, 2020
	3,500	\$C24.20	Aug. 31, 2021
	4,000	\$C11.50	Nov. 30, 2022

Notes:

- (1) These option-based awards are held jointly.
- (2) Mr. Patient was appointed as Chief Financial Officer of the Company effective September 6, 2017.
- (3) Mr. Allport, a consultant to the Company, served as the Company's Vice President Legal Affairs and Licensing and as a director from September 2004, until his resignation May 17, 2017.

Employment Agreements

The employment agreement with Dr. Isa Odidi, the Chief Executive Officer and Co-Chief Scientific Officer of the Company, effective September 1, 2004 entitles Dr. Isa Odidi to receive a base salary of U.S.\$200,000 per year, which is paid in Canadian dollars, and is increased annually by 20% of the prior year's base salary. In addition, he is entitled to: (a) participate in the Company's option plan; (b) participate in all employee benefit plans and programs, except for the Company's deferred share unit plan; and (c) a car allowance of up to U.S.\$1,000 per month. The initial term of the employment agreement was until September 30, 2007, at which time, pursuant to the terms of the agreement, the agreement was deemed to be extended automatically for an additional three-year period, or until September 30, 2010, on the same terms and conditions. The agreement will continue to be extended automatically for successive additional three-year periods on the same terms unless the Company gives Dr. Odidi written notice at least two years prior to the date on which the agreement would otherwise be extended. See "Termination and Change of Control Benefits" below. Dr. Odidi's employment agreement was amended on August 1, 2007 and June 8, 2009 to include intellectual property, non-competition and non-solicitation provisions. In April 2010, Dr. Isa Odidi's employment agreement was amended effective as of December 1, 2009, to eliminate the right to annual increases in his base salary of 20% each year and to roll back his base salary effective December 1, 2009 to the level payable under the employment agreement for the period from September 2008 to August 2009, or C\$452,000 per year. Pursuant to such amendment, Dr. Isa Odidi's base salary is subject to increase on an annual basis at the discretion of the Board, and Dr. Isa Odidi is eligible to receive a bonus based on his performance and that of the Company, as determined by the Board.

The employment agreement with Dr. Amina Odidi, the President, Chief Operating Officer and Co-Chief Scientific Officer of the Company, effective September 1, 2004 entitles Dr. Amina Odidi to receive a base salary of U.S.\$200,000 per year, which is paid in Canadian dollars, and is increased annually by 20% of the prior year's base salary. In addition, she is entitled to: (a) participate in the option plan; (b) participate in all employee benefit plans and programs, except for the deferred share unit plan; and (c) a car allowance of up to U.S.\$1,000 per month. The initial term of the employment agreement was until September 30, 2007, at which time, pursuant to the terms of the agreement, the agreement was deemed to be extended automatically for an additional three-year period, or until September 30, 2010, on the same terms and conditions. The agreement will continue to be extended automatically for successive additional three-year periods on the same terms unless the Company gives Dr. Odidi written notice at least two years prior to the date on which the agreement would otherwise be extended. See "Termination and Change of Control Benefits" below. Dr. Odidi's employment agreement was amended on August 1, 2007 and June 8, 2009 to include intellectual property, non-competition and non-solicitation provisions. In April 2010, Dr. Amina Odidi's employment agreement was amended effective as of December 1, 2009, to eliminate the right to annual increases in her base salary of 20% each year and to roll back her base salary effective December 1, 2009 to the level payable under the employment agreement for the period from September 2008 to August 2009, being C\$452,000 per year. Pursuant to such amendment, Dr. Amina Odidi's base salary is subject to increase on an annual basis at the discretion of the Board, and Dr. Amina Odidi is eligible to receive a bonus based on her performance and that of the Company, as determined by the Board.

In addition, the Company entered into a separate acknowledgement and agreement with Drs. Isa and Amina Odidi dated October 22, 2009 to be bound by the performance-based stock option agreement dated September 10, 2004 pursuant to which Drs. Isa and Amina Odidi are entitled to purchase up to 276,394 of the Company's Common Shares. These options were not granted under the Company's option plan. These options vest upon the Company attaining certain milestones related to the FDA filings and approvals for the Company's products and product candidates. The options are exercisable at a price of \$36.20 per share and expired in September 2014. Effective March 27, 2014, the Company's shareholders approved a two year extension of the performance-based stock option expiry date to September 2016. Effective April 19, 2016, the Company's shareholders approved a further two year extension of the performance-based stock option expiry date to September 2018. Effective May 15, 2018, the Company's shareholders approved a further two year extension of the performance-based stock option expiry date to September 2020.

The employment agreement with Andrew Patient, the Chief Financial Officer of the Company, dated August 30, 2017, effective September 6, 2017, entitles Mr. Patient to receive a base salary of C\$300,000 per year, which is paid in Canadian dollars. In addition, he is entitled to: (a) participate in the option plan; (b) participate in all employee benefit plans and programs; and (c) a car allowance of C\$1,500 per month. The agreement provides for automatic renewal on December 31 each year from year to year in absence of notice of termination from the Company at least 90 days prior to the end of the then applicable term. Mr. Patient's employment agreement contains intellectual property, non-competition and non-solicitation provisions.

Pension Plan Benefits

The Company does not provide a defined benefit pension plan or a defined contribution pension plan for any of its Named Executive Officers, nor does it have a deferred compensation pension plan for any of its Named Executive Officers. There are no amounts set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits.

Termination and Change of Control Benefits

Dr. Isa Odidi and Dr. Amina Odidi

The employment agreement with each of Dr. Isa Odidi and Dr. Amina Odidi (collectively the "Odidis"), by virtue of it being a fixed-term agreement with automatic renewal provisions, effectively provides for payments to the Odidis following termination of the employment agreement unless the agreement has been terminated in accordance with its terms. As a result, if either of the Odidis had been terminated on the last business day of the Company's most recently completed fiscal year, it is estimated that an amount of up to approximately C\$2.2 million would be payable to each of the Odidis, which is the amount that would have been payable through to September 30, 2022, at each of the Odidis' current annual base salary level. Given their nature as fixed term employment agreements, if notice is properly provided to not renew the agreement following the term ending September 30, 2022, then the amount payable upon termination to the Odidis will decrease to the point where no amount would be payable upon termination as at September 30, 2022. Any termination of the employment of the Odidis must be undertaken by and is subject to the prior approval of the Board. There are no payments applicable under the employment agreements of the Odidis relating to a change of control of the Company.

Andrew Patient

If Andrew Patient's employment agreement is terminated without cause, Mr. Patient shall be entitled to three months' base salary, plus six weeks' base salary for every full year of service, up to a combined maximum of twelve months. If such termination occurs within six months of a change of control of the Company, Mr. Patient shall be entitled to thirteen months' base salary, plus six weeks' base salary for every full year of service, up to a combined maximum of eighteen months.

THE COMPANY

History and Development of the Company

The Company was formed under the CBCA by certificate and articles of arrangement dated October 22, 2009.

Our registered principal office is located at 30 Worcester Road, Toronto, Ontario, Canada M9W 5X2. Our telephone number is (416) 798-3001 and our facsimile number is (416) 798-3007.

Our agent for service in the United States is Corporation Service Company at 1090 Vermont Avenue N.W., Washington, D.C. 20005.

On October 19, 2009, the shareholders of IPC Ltd. and Vasogen Inc., or Vasogen, approved the IPC Arrangement Agreement that resulted in the October 22, 2009 court-approved merger of IPC Ltd. and another U.S. subsidiary of Intellipharma Inc. coincident with an arrangement pursuant to which a predecessor of the Company combined with 7231971 Canada Inc., a new company that acquired substantially all of the assets and certain liabilities of Vasogen, including the proceeds from its non-dilutive financing transaction with Cervus LP. The completion of that transaction that occurred on October 22, 2009 resulted in the formation of the Company, which is governed by the CBCA. The Common Shares of the Company are traded on the TSX and Nasdaq. See “Prospectus Summary—Recent Developments—Nasdaq Notices and Nasdaq Hearings Panel Grant of Request for Continued Listing” and “—Risk Factors—Our Common Shares will be delisted from the Nasdaq Capital Market if we do not satisfy certain requirements of the Nasdaq Hearing Panel by October 17, 2018” in this prospectus for important information about the listing of our Common Shares on Nasdaq.

In this prospectus, any prospectus supplement, and/or the documents incorporated by reference herein or therein, unless the context otherwise requires, the terms “we,” “us,” “our,” “Intellipharma,” and the “Company” refer to Intellipharma International Inc. and its subsidiaries.

Business Overview

We are a pharmaceutical company specializing in the research, development and manufacture of novel and generic controlled-release and targeted-release oral solid dosage drugs. Our patented Hypermatrix™ technology is a multidimensional controlled-release drug delivery platform that can be applied to the efficient development of a wide range of existing and new pharmaceuticals. Based on this technology platform, we have developed several drug delivery systems and a pipeline of products (some of which have received FDA approval) and product candidates in various stages of development, including ANDAs filed with the FDA and one ANDS filed with Health Canada and one NDA filing, in therapeutic areas that include neurology, cardiovascular, gastrointestinal tract, diabetes and pain.

In November 2005, we entered into a license and commercialization agreement, as amended on August 12, 2011 and September 24, 2013 (the “Par Agreement”), with Par Pharmaceutical, Inc. (“Par”), pursuant to which we granted Par an exclusive, royalty-free license to make and distribute in the U.S. all strengths of our generic Focalin XR® (dexamethylphenidate hydrochloride extended-release) capsules for a period of ten years from the date of commercial launch which was November 19, 2013. Under the Par Agreement, we made a filing with the FDA for approval to market generic Focalin XR® capsules in various strengths in the U.S. (the “Company ANDA”), and are the owner of that Company ANDA, as approved in part by the FDA. We retain the right to make and distribute all strengths of the generic product outside of the U.S. Calendar quarterly profit-sharing payments for its U.S. sales under the Company ANDA are payable by Par to us as calculated pursuant to the Par Agreement. Within the purview of the Par Agreement, Par also applied for and owns an ANDA pertaining to all marketed strengths of generic Focalin XR® (the “Par ANDA”), and is now approved by the FDA to market generic Focalin XR® capsules in all marketed strengths in the U.S. As with the Company ANDA, calendar quarterly profit-sharing payments are payable by Par to us for its U.S. sales of generic Focalin XR® under the Par ANDA as calculated pursuant to the Par Agreement.

We received final approval from the FDA in November 2013 under the Company ANDA to launch the 15 and 30 mg strengths of our generic Focalin XR® capsules. Commercial sales of these strengths were launched immediately by our commercialization partner in the U.S., Par.

In January 2017, Par launched the 25 and 35 mg strengths of its generic Focalin XR® capsules in the U.S., and in May 2017, Par launched the 10 and 20 mg strengths, complementing the 15 and 30 mg strengths of our generic Focalin XR® marketed by Par. The FDA granted final approval under the Par ANDA for its generic Focalin XR® capsules in the 5, 10, 15, 20, 25, 30, 35 and 40 mg strengths, and subsequently, Par launched the remaining 5 and 40 mg strengths. Under the Par Agreement, we receive quarterly profit share payments on Par’s U.S. sales of generic Focalin XR®. We currently expect revenues from sales of the generic Focalin XR® capsules to improve over the longer term; however, results for the next several quarters are expected to continue to be impacted by ongoing competitive pressures in the generic market. There can be no assurance whether revenues from this product will improve going forward or that any recently launched strengths will be successfully commercialized. We depend significantly on the actions of our marketing partner, Par, in the prosecution, regulatory approval and commercialization of our generic Focalin XR® capsules and on its timely payment to us of the contracted calendar quarterly payments as they come due.

In February 2017, we received final approval from the FDA for our ANDA for metformin hydrochloride extended-release tablets in the 500 and 750 mg strengths. This product is a generic equivalent for the corresponding strengths of the branded product Glucophage® XR sold in the U.S. by Bristol-Myers Squibb. The Company is aware that several other generic versions of this product are currently available that serve to limit the overall market opportunity for this product. We are continuing to evaluate options to realize commercial returns on this product, particularly in international markets. There can be no assurance that our metformin hydrochloride extended-release tablets for the 500 and 750 mg strengths will be successfully commercialized.

In February 2016, we received final approval from the FDA of our ANDA for generic Keppra XR® (levetiracetam extended-release) tablets for the 500 and 750 mg strengths. Our generic Keppra XR® is a generic equivalent for the corresponding strengths of the branded product Keppra XR® sold in the U.S. by UCB, Inc., and is indicated for use in the treatment of partial onset seizures associated with epilepsy. We are aware that several other generic versions of this product are currently available that serve to limit the overall market opportunity. We are actively exploring the best approach to maximize our commercial returns from this approval and are looking at several international markets where, despite lower volumes, product margins are typically higher than in the U.S. There can be no assurance that our generic Keppra XR® for the 500 and 750 mg strengths will be successfully commercialized.

In October 2016, we received tentative approval from the FDA for our ANDA for quetiapine fumarate extended-release tablets in the 50, 150, 200, 300 and 400 mg strengths, and in May 2017, our ANDA received final FDA approval for all of these strengths. Our approved product is a generic equivalent for the corresponding strengths of the branded product Seroquel XR® sold in the U.S. by AstraZeneca Pharmaceuticals LP, or AstraZeneca. Pursuant to a settlement agreement between us and AstraZeneca dated July 30, 2012, we were permitted to launch our generic versions of the 50, 150, 200, 300 and 400 mg strengths of generic Seroquel XR® on November 1, 2016, subject to FDA final approval of our ANDA for those strengths. The Company manufactured and shipped commercial quantities of all strengths of generic Seroquel XR® to our marketing and distribution partner Mallinckrodt LLC (“Mallinckrodt”), and Mallinckrodt launched all strengths in June 2017. In October 2016, we announced a license and commercial supply agreement with Mallinckrodt, or (“Mallinckrodt Agreement”), granting Mallinckrodt an exclusive license to market, sell and distribute in the U.S. the following extended-release drug product candidates (the “licensed products”) which have either been launched (generic Seroquel XR®) or for which we have ANDAs filed with the FDA:

- Quetiapine fumarate extended-release tablets (generic Seroquel XR®) –approved and launched;
- Desvenlafaxine extended-release tablets (generic Pristiq®) – ANDA under FDA review; and
- Lamotrigine extended-release tablets (generic Lamictal® XR™) – ANDA under FDA review.

Under the terms of the ten-year agreement with Mallinckrodt, we received a non-refundable upfront payment of \$3 million in October 2016. In addition, the agreement also provides for a long-term profit sharing arrangement with respect to these licensed products (which includes up to \$11 million in cost recovery payments that are payable on future sales of licensed product). We have agreed to manufacture and supply the licensed products exclusively for Mallinckrodt on a cost plus basis. The Mallinckrodt Agreement contains customary terms and conditions for an agreement of this kind, and is subject to early termination in the event we do not obtain FDA approvals of the Mallinckrodt licensed products by specified dates, or pursuant to any one of several termination rights of each party. Upon the expiration of the initial term, and absent any early termination actions, the Mallinckrodt Agreement will be automatically renewed for additional and consecutive terms of one year (the 12-month period coinciding with Mallinckrodt’s regularly established fiscal months), absent notice of non-renewal given by one party to the other at least 180 days prior to the end of the initial or renewal term.

Our goal is to leverage our proprietary technologies and know-how in order to build a diversified portfolio of revenue generating commercial products. We intend to do this by advancing our products from the formulation stage through product development, regulatory approval and manufacturing. We believe that full integration of development and manufacturing will help maximize the value of our drug delivery technologies, products and product candidates. We also believe that out-licensing sales and marketing to established organizations, when it makes economic sense, will improve our return from our products while allowing us to focus on our core competencies. We expect our expenditures for the purchase of production, laboratory and computer equipment and the expansion of manufacturing and warehousing capability to be higher as we prepare for the commercialization of ANDAs, one NDA and one ANDS that are pending FDA and Health Canada approval, respectively.

Our Strategy

Our Hypermatrix™ technologies are central to the development and manufacture of novel and generic controlled-release and targeted-release oral solid dosage drugs. The Hypermatrix™ technologies are a multidimensional controlled-release drug delivery platform that we believe can be applied to the efficient development of a wide range of existing and new pharmaceuticals. We believe that the flexibility of these technologies allows us to develop complex drug delivery solutions within an industry-competitive timeframe. Based on this technology platform, we have developed several drug delivery systems and a pipeline of products (some of which have received FDA approval) and product candidates in various stages of development, including ANDAs filed with the FDA and one ANDS filed with Health Canada and one NDA filing, in therapeutic areas that include neurology, cardiovascular, GIT, diabetes and pain. We expect that certain, but not all, of the products in our pipeline may be developed from time to time for third parties pursuant to drug development agreements with those third parties, under which our commercialization partner may pay certain of the expenses of development, make certain milestone payments to us and receive a share of revenues or profits if the drug is developed successfully to completion, the control of which would generally be in the discretion of our drug development partner.

The principal focus of our development activities previously targeted difficult-to-develop controlled-release generic drugs which follow an ANDA regulatory path. Our current development effort is increasingly directed towards improved difficult-to-develop controlled-release drugs which follow an NDA 505(b)(2) regulatory pathway. We have increased our research and development emphasis towards specialty new product development, facilitated by the 505(b)(2) regulatory pathway, by advancing the product development program for both Oxycodone ER and Regabatin™. We have also identified several additional 505(b)(2) product candidates for development in various indication areas including cardiovascular, dermatology, pulmonary disease and oncology. The technology that is central to our abuse deterrent formulation of our Oxycodone ER is the novel Point of Divergence Drug Delivery System (“nPODDDS™”). nPODDDS™ is designed to provide for certain unique drug delivery features in a product. These include the release of the active substance to show a divergence in a dissolution and/or bioavailability profile. The divergence represents a point or a segment in a release timeline where the release rate, represented by the slope of the curve, changes from an initial rate or set of rates to another rate or set of rates, the former representing the usually higher rate of release shortly after ingesting a dose of the drug, and the latter representing the rate of release over a later and longer period of time, being more in the nature of a controlled-release or sustained action. It is applicable for the delivery of opioid analgesics in which it is desired to discourage common methods of tampering associated with misuse and abuse of a drug, and also dose dumping in the presence of alcohol. It can potentially retard tampering without interfering with the bioavailability of the product.

In addition, our Paradoxical OverDose Resistance Activating System, or PODRAS™, delivery technology was initially introduced to enhance our Oxycodone ER product candidate. The PODRAS™ delivery technology platform was designed to prevent overdose when more pills than prescribed are swallowed intact. Preclinical studies of prototypes of oxycodone with PODRAS technology suggest that, unlike other third-party abuse-deterrent oxycodone products in the marketplace, if more tablets than prescribed are deliberately or inadvertently swallowed, the amount of drug active released over 24 hours may be substantially less than expected. However, if the prescribed number of pills is swallowed, the drug release should be as expected. Certain aspects of our PODRAS technology are covered by U.S. Patent Nos. 9,522,119, 9,700,515, 9,700,516 and 9,801,939 and Canadian Patent No. 2,910,865 issued by the U.S. Patent and Trademark Office and the Canadian Intellectual Property Office in respect of “Compositions and Methods for Reducing Overdose” in December 2016, July 2017 and October 2017, respectively. The issuance of these patents provides us with the opportunity to accelerate our PODRAS™ development plan by pursuing proof of concept studies in humans. We intend to incorporate this technology in future product candidates, including Oxycodone ER and other similar pain products, as well as pursuing out-licensing opportunities.

The NDA 505(b)(2) pathway (which relies in part upon the FDA’s findings for a previously approved drug) both accelerates development timelines and reduces costs in comparison to NDAs for new chemical entities.

An advantage of our strategy for development of NDA 505(b)(2) drugs is that our product candidates can, if approved for sale by the FDA, potentially enjoy an exclusivity period which may provide for greater commercial opportunity relative to the generic ANDA route.

The market we operate in is created by the expiration of drug product patents, challengeable patents and drug product exclusivity periods. There are three ways that we employ our controlled-release technologies, which we believe represent substantial opportunities for us to commercialize on our own or develop products or out-license our technologies and products:

- For branded immediate-release (multiple-times-per-day) drugs, we can formulate improved replacement products, typically by developing new, potentially patentable, controlled-release once-a-day drugs. Among other out-licensing opportunities, these drugs can be licensed to and sold by the pharmaceutical company that made the original immediate-release product. These can potentially protect against revenue erosion in the brand by providing a clinically attractive patented product that competes favorably with the generic immediate-release competition that arises on expiry of the original patent(s). The regulatory pathway for this approach requires NDAs via a 505(b)(2) application for the U.S. or corresponding pathways for other jurisdictions where applicable.
- Some of our technologies are also focused on the development of abuse-deterrent and overdose preventive pain medications. The growing abuse and diversion of prescription “painkillers,” specifically opioid analgesics, is well documented and is a major health and social concern. We believe that our technologies and know-how are aptly suited to developing abuse-deterrent pain medications. The regulatory pathway for this approach requires NDAs via a 505(b)(2) application for the U.S. or corresponding pathways for other jurisdictions where applicable.
- For existing controlled-release (once-a-day) products whose active pharmaceutical ingredients (“APIs”) are covered by drug molecule patents about to expire or already expired, or whose formulations are covered by patents about to expire, already expired or which we believe we do not infringe, we can seek to formulate generic products which are bioequivalent to the branded products. Our scientists have demonstrated a successful track record with such products, having previously developed several drug products which have been commercialized in the U.S. by their former employer/clients. The regulatory pathway for this approach requires ANDAs for the U.S. and ANDSs for Canada.

We intend to collaborate in the development and/or marketing of one or more products with partners, when we believe that such collaboration may enhance the outcome of the project. We also plan to seek additional collaborations as a means of developing additional products. We believe that our business strategy enables us to reduce our risk by (a) having a diverse product portfolio that includes both branded and generic products in various therapeutic categories, and (b) building collaborations and establishing licensing agreements with companies with greater resources thereby allowing us to share costs of development and to improve cash-flow. There can be no assurance that we will be able to enter into additional collaborations or, if we do, that such arrangements will be commercially viable or beneficial.

Competitive Environment

We are engaged in a business characterized by extensive research efforts, rapid technological developments and intense competition. Our competitors include medical technology, pharmaceutical, biotechnology and other companies, universities and research institutions. All of these competitors currently engage in, have engaged in or may engage in the future, in development, manufacturing, marketing and commercialization of new pharmaceuticals and existing pharmaceuticals, some of which may compete with our present or future products and product candidates.

Our drug delivery technologies may compete with existing drug delivery technologies, as well as new drug delivery technologies that may be developed or commercialized in the future. Any of these drugs and drug delivery technologies may receive government approval or gain market acceptance more rapidly than our products and product candidates. As a result, our products and product candidates may become non-competitive or obsolete.

We believe that our ability to successfully compete will depend on, among other things, the efficacy, safety and reliability of our products and product candidates, the timing and scope of regulatory approval, the speed at which we develop product candidates, our, or our commercialization partners', ability to manufacture and sell commercial quantities of a product to the market, product acceptance by physicians and other professional healthcare providers, the quality and breadth of our technologies, the skills of our employees and our ability to recruit and retain skilled employees, the protection of our intellectual property, and the availability of substantial capital resources to fund development and commercialization activities.

Manufacturing

We have internal manufacturing capabilities consisting of current Good Laboratory Practices (“cGLP”) research laboratories and a current Good Manufacturing Process (“cGMP”) manufacturing plant for solid oral dosage forms at our facility located at 30 Worcester Road in Toronto, Ontario, Canada, M9W 5X2 (the “Toronto Facility”). Raw materials used in manufacturing our products are available from a number of commercial sources and the prices for such raw materials are generally not particularly volatile. In October 2014, the FDA provided us with written notification that the Toronto Facility had received an “acceptable” classification. Such inspections are carried out on a regular basis by the FDA and an “acceptable” classification is necessary to permit us to be in a position to receive final approvals for ANDAs and NDAs and to permit manufacturing of drug products intended for commercial sales in the United States after any such approvals. Similarly, Health Canada completed an inspection of our Toronto Facility in September 2015 which resulted in a “compliant” rating. Once we have completed certain renovations to our newly-leased property located at 22 Worcester Road in Toronto, Ontario, Canada, M9W 5X2, we would request an inspection by regulatory agencies which will determine compliance of the facility with cGMP.

Intellectual Property

Proprietary rights are an important aspect of our business. These include know-how, trade secrets and patents. Know-how and trade secrets are protected by internal company policies and operating procedures, and where necessary, by contractual provisions with development partners and suppliers. We also seek patent protection for inventive advances which form the basis of our drug delivery technologies. With respect to particular products, we may seek patent protection on the commercial composition, our methods of production and our uses, to prevent the unauthorized marketing and sale of competitive products.

Patents which relate to and protect various aspects of our Hypermatrix™ family of drug delivery technologies include the following United States, Japanese, Chinese, Indian, Canadian and European patents which have been issued to us:

Country	Issue Date	Issue No.	Title
U.S.A.	October 31, 2017	9,801,939	Compositions and Methods For Reducing Overdose
U.S.A.	July 11, 2017	9,700,516	Compositions and Methods For Reducing Overdose
U.S.A.	July 11, 2017	9,700,515	Compositions and Methods For Reducing Overdose
U.S.A.	Dec 20, 2016	9,522,119	Compositions and Methods For Reducing Overdose
U.S.A.	July 14, 2015	9,078,827	Pharmaceutical Composition Having Reduced Abuse Potential
U.S.A.	Aug 12, 2014	8,802,139	Proton Pump-Inhibitor-Containing Capsules Which Comprise Subunits Differently Structured For A Delayed Release Of The Active Ingredient
U.S.A.	Dec 10, 2013	8,603,520	Oral Multi-functional Pharmaceutical Capsule Preparations of Proton Pump Inhibitors
U.S.A.	Mar 12, 2013	8,394,409	Controlled Extended Drug Release Technology
U.S.A.	Mar 15, 2011	7,906,143	Controlled Release Pharmaceutical Delivery Device and Process for Preparation Thereof
U.S.A.	Dec 28, 2010	7,858,119	Extended Release Pharmaceuticals
U.S.A.	Aug 15, 2006	7,090,867	Controlled Release Delivery Device for Pharmaceutical Agents Incorporating Microbial Polysaccharide Gum
U.S.A.	Oct 5, 2004	6,800,668	Syntactic Deformable Foam Compositions and Methods for Making
U.S.A.	Nov 25, 2003	6,652,882	Controlled Release Formulation Containing Bupropion
U.S.A.	Aug 19, 2003	6,607,751	Novel Controlled Release Delivery Device for Pharmaceutical Agents Incorporating Microbial Polysaccharide Gum
U.S.A.	Nov 12, 2002	6,479,075	Pharmaceutical Formulations for Acid Labile Substances
U.S.A.	Oct 2, 2001	6,296,876	Pharmaceutical Formulations for Acid Labile Substances

Japan	Aug 28, 2015	5,798,293	Pharmaceutical Composition Having Reduced Abuse Potential
Japan	Jan 17, 2014	5,457,830	Controlled Release Delivery Device Comprising An Organosol Coat
Japan	Aug 8, 2014	5,592,547	Drug Delivery Composition
Japan	Aug 30, 2013	5,349,290	Drug Delivery Composition
India	Feb 10, 2015	265,141	Pharmaceutical Composition Having Reduced Abuse Potential
Europe	Nov 26, 2014	2,007,360	Controlled Release Delivery Device Comprising an Organosol Coat
Canada	May 26, 2015	2,579,382	Controlled Release Delivery Device
Canada	Jan 28, 2014	2,571,897	Controlled Extended Drug Release Technology
Canada	Apr 8, 2014	2,576,556	Drug Delivery Device
Canada	Mar 11, 2014	2,648,280	Controlled Release Delivery Device Comprising an Organosol Coat
Canada	Jun 19, 2012	2,626,558	Pharmaceutical Composition having Reduced Abuse Potential
Canada	Sep 25, 2012	2,529,984	Oral Multi-Functional Pharmaceutical Capsule Preparations of Proton Pump Inhibitors
Canada	Feb 22, 2011	2,459,857	Combinatorial Type Controlled Release Drug Delivery Device
Canada	Mar 15, 2005	2,435,276	Syntactic Deformable Foam Compositions and Methods for Making

Regulatory Requirements

We focus on the development of both branded drug products (which require NDAs) and generic drug products (which require ANDAs). The research and development, manufacture and marketing of controlled-release pharmaceuticals are subject to regulation by U.S., Canadian and other governmental authorities and agencies. Such national agencies and other federal, state, provincial and local entities regulate the testing, manufacturing, safety and promotion of our products. The regulations applicable to our products may change as the currently limited number of approved controlled-release products increases and regulators acquire additional experience in this area.

United States Regulation

New Drug Application

We will be required by the FDA to comply with NDA procedures for our branded products prior to commencement of marketing by us or our licensees. New drug compounds and new formulations for existing drug compounds which cannot be filed as ANDAs, but follow a 505(b)(2) regulatory pathway, are subject to NDA procedures.

These procedures for a new drug compound include (a) preclinical laboratory and animal toxicology tests; (b) scaling and testing of production batches; (c) submission of an IND, and subsequent approval is required before any human clinical trials can commence; (d) adequate and well controlled replicate human clinical trials to establish the safety and efficacy of the drug for its intended indication; (e) the submission of an NDA to the FDA; and (f) FDA approval of an NDA prior to any commercial sale or shipment of the product, including pre-approval and post-approval inspections of our manufacturing and testing facilities. If all of this data in the product application is owned by the applicant, the FDA will issue its approval without regard to patent rights that might be infringed or exclusivity periods that would affect the FDA's ability to grant an approval if the application relied upon data which the applicant did not own.

Preclinical laboratory and animal toxicology tests may have to be performed to assess the safety and potential efficacy of the product. The results of these preclinical tests, together with information regarding the methods of manufacture of the products and quality control testing, are then submitted to the FDA as part of an IND requesting authorization to initiate human clinical trials. Once the IND notice period has expired, clinical trials may be initiated, unless an FDA hold on clinical trials has been issued.

A new formulation for an existing drug compound requires a 505(b)(2) application. This application contains full reports of investigations of safety and effectiveness but at least some information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference. A 505(b)(2) application is submitted when some specific information necessary for approval is obtained from: (1) published literature and/or (2) the FDA findings of safety and effectiveness for an approved drug. The FDA has implemented this approach to encourage innovation in drug development without requiring duplicative studies while protecting the patent and exclusivity rights for the approved drug. A 505(b)(2) application can be submitted for a new chemical entity, a new molecular entity or any changes to previously approved drugs such as dosage form, strength, route of administration, formulation, indication, or bioequivalence where the application may rely on the FDA's finding on safety and effectiveness of the previously approved drug. In addition, the applicant may also submit a 505(b)(2) application for a change in drug product that is eligible for consideration pursuant to a suitability petition. For example, a 505(b)(2) application would be appropriate for a controlled-release product that is bioequivalent to a reference listed drug where the proposed product is at least as bioavailable and the pattern of release is at least as favorable as the approved pharmaceutically equivalent product. A 505(b)(2) application may be granted three years of exclusivity if one or more clinical investigations, other than bioavailability/bioequivalence studies, was essential to the approval and conducted or sponsored by the applicant; five years of exclusivity granted if it is for a new chemical entity. A 505(b)(2) application may also be eligible for orphan drug and pediatric exclusivity.

A 505(b)(2) application must contain the following: (1) identification of those portions of the application that rely on the information the applicant does not have a right of reference, (2) identification of any or all listed drugs by established name, proprietary name, dosage form, strength, route of administration, name of the listed drug's sponsor, and the application number if application relies on the FDA's previous findings of safety and effectiveness for a listed drug, (3) information with respect to any patents that claim the drug or the use of the drug for which approval is sought, (4) patent certifications or statement with respect to any relevant patents that claim the listed drug, (5) if approval for a new indication, and not for the indications approved for the listed drug, a certification so stating, (6) a statement as to whether the listed drug has received a period of marketing exclusivity, (7) bioavailability/bioequivalence studies comparing the proposed product to the listed drug (if any) and (8) studies necessary to support the change or modification from the listed drugs or drugs (if any). Before submitting the application, the applicant should submit a plan to identify the types of bridging studies that should be conducted and also the components of application that rely on the FDA's findings of safety and effectiveness of a previously approved drug product. We intend to generate all data necessary to support FDA approval of the applications we file. A 505(b)(2) application must provide notice of certain patent certifications to the NDA holder and patent owner, and approval may be delayed due to patent or exclusivity protections covering an approved product.

Clinical trials involve the administration of a pharmaceutical product to individuals under the supervision of qualified medical investigators who are experienced in conducting studies under "Good Clinical Practice" guidelines. Clinical studies are conducted in accordance with protocols that detail the objectives of a study, the parameters to be used to monitor safety and the efficacy criteria to be evaluated. Each protocol is submitted to the FDA and to an Institutional Review Board prior to the commencement of each clinical trial. Clinical studies are typically conducted in three sequential phases, which may overlap. In Phase I, the initial introduction of the product into human subjects, the compound is tested for absorption, safety, dosage, tolerance, metabolic interaction, distribution, and excretion. Phase II involves studies in a limited patient population with the disease to be treated to (1) determine the efficacy of the product for specific targeted indications, (2) determine optimal dosage and (3) identify possible adverse effects and safety risks. In the event Phase II evaluations demonstrate that a pharmaceutical product is effective and has an acceptable safety profile, Phase III clinical trials are undertaken to further evaluate clinical efficacy of the product and to further test its safety within an expanded patient population at geographically dispersed clinical study sites. Periodic reports on the clinical investigations are required.

We, or the FDA, may suspend clinical trials at any time if either party believes the clinical subjects are being exposed to unacceptable health risks. The results of the product development, analytical laboratory studies and clinical studies are submitted to the FDA as part of an NDA for approval of the marketing and commercialization of a pharmaceutical product.

Abbreviated New Drug Application

In certain cases, where the objective is to develop a generic version of an approved product already on the market in controlled-release dosages, an ANDA may be filed in lieu of filing an NDA. Under the ANDA procedure, the FDA waives the requirement to submit complete reports of preclinical and clinical studies of safety and efficacy and instead requires the submission of bioequivalency data, that is, demonstration that the generic drug produces the same effect in the body as its brand-name counterpart and has the same pharmacokinetic profile, or change in blood concentration over time. The ANDA procedure is available to us for a generic version of a drug product approved by the FDA. In certain cases, an ANDA applicant may submit a suitability petition to the FDA requesting permission to submit an ANDA for a drug product that differs from a previously approved reference drug product (the "Listed Drug") when the change is one authorized by statute. Permitted variations from the Listed Drug include changes in: (1) route of administration, (2) dosage form, (3) strength and (4) one of the active ingredients of the Listed Drug when the Listed Drug is a combination product. The FDA must approve the petition before the ANDA may be submitted. An applicant is not permitted to petition for any other kinds of changes from Listed Drugs. The information in a suitability petition must demonstrate that the change from the Listed Drug requested for the proposed drug product may be adequately evaluated for approval without data from investigations to show the proposed drug product's safety or effectiveness. The advantages of an ANDA over an NDA include reduced research and development costs associated with bringing a product to market, and generally a shorter review and approval time at the FDA.

GDUFA implemented substantial fees for new ANDAs, Drug Master Files, product and establishment fees and a one-time fee for backlogged ANDAs pending approval as of October 1, 2012. In return, the program is intended to provide faster and more predictable ANDA reviews by the FDA and more timely inspections of drug facilities. For the FDA's fiscal years 2016 and 2017, respectively, the user fee rates are \$76,030 and \$70,480 for new ANDAs, \$38,020 and \$35,240 for Prior Approval Supplements, and \$17,434 for each ANDA already on file at the FDA. For the FDA's fiscal years 2016 and 2017, there is also an annual facility user fee of \$258,905 and \$273,646, respectively. Effective October 1, 2017, for the FDA's fiscal year 2018, the FDA will charge an annual facility user fee of \$226,087 plus a new general program fee of \$159,079. Under GDUFA, generic product companies face significant penalties for failure to pay the new user fees, including rendering an ANDA not "substantially complete" until the fee is paid. It is currently uncertain the effect the new fees will have on our ANDA process and business. However, any failure by us or our suppliers to pay the fees or to comply with the other provisions of GDUFA may adversely impact or delay our ability to file ANDAs, obtain approvals for new generic products, generate revenues and thus may have a material adverse effect on our business, results of operations and financial condition.

Patent Certification and Exclusivity Issues

ANDAs and/or NDAs, filed under Paragraph IV of the Hatch Waxman Act, which seek approval by a non-brand owner to market a generic version of a branded drug product prior to the expiry of patents owned or listed in the Orange Book (the "Listed Patents") as applicable to the brand owner's product, are required to include certifications pursuant to Paragraph IV that either the Listed Patents are invalid or that the applicant's drug product does not infringe the Listed Patents. In such circumstances, the owner of the branded drug and/or the holder of the patents may commence patent infringement litigation against the applicant. In such a case, the FDA is not empowered to approve such pending ANDA or NDA until the expiry of 30 months from the commencement of such litigation, unless within such 30 month period the said patents are found to be invalid, or the drug product covered by the ANDA or NDA is finally found by a court not to infringe such patents.

Under the U.S. Food, Drug and Cosmetic Act ("FDC Act"), the first filer of an ANDA (but not an NDA) with a "non-infringement" certification is entitled, if its drug product is approved, to receive 180 days of market exclusivity. Subsequent filers of generic products, if non-infringing and approved by the FDA, are entitled to market their products six months after the first commercial marketing of the first filer's generic product. A company having FDA approval and permission from the original brand owner is able to market an authorized generic at any time. The 180-day exclusivity period can be forfeited if the first applicant withdraws its application or the FDA considers the application to have been withdrawn, the first applicant amends or withdraws Paragraph IV Certification for all patents qualifying for 180 day exclusivity, or the first applicant fails to obtain tentative approval within 30 months after the date filed, unless failure is due to a change in review requirements. The preservation of the 180 day exclusivity period related to the first-to-file status of a drug not approved within 30 months after the date filed, generally requires that an application be made to the FDA for extension of the time period where the delay has been due to a change in the review requirements for the drug. The approval of the continued first-to-file status in such circumstances is subject to the discretion of the FDA. There can be no assurance that the FDA would accede to such a request if made.

Patent expiration refers to expiry of U.S. patents (inclusive of any extensions) on drug compounds, formulations and uses. Patents outside the United States may differ from those in the United States. Under U.S. law, the expiration of a patent on a drug compound does not create a right to make, use or sell that compound. There may be additional patents relating to a person's proposed manufacture, use or sale of a product that could potentially prohibit such person's proposed commercialization of a drug compound.

The FDC Act contains other market exclusivity provisions that offer additional protection to pioneer drug products which are independent of any patent coverage that might also apply. Exclusivity refers to the fact that the effective date of approval of a potential competitor's ANDA for a generic of the pioneer drug may be delayed or, in certain cases, an ANDA may not be submitted until the exclusivity period expires. Five years of exclusivity are granted to the first approval of a "new chemical entity". Three years of exclusivity may apply to products which are not new chemical entities, but for which new clinical investigations are essential to the approval. For example, a new indication for use, or a new dosage strength of a previously approved product, may be entitled to exclusivity, but only with respect to that indication or dosage strength. Exclusivity only offers protection against a competitor entering the market via the ANDA route, and does not operate against a competitor that generates all of its own data and submits a full NDA.

If applicable regulatory criteria are not satisfied, the FDA may deny approval of an NDA or an ANDA or may require additional testing. Product approvals may be withdrawn if compliance with current or future regulatory standards is not maintained or if problems occur after the product reaches the market. The FDA may require further testing and surveillance programs to monitor the pharmaceutical product that has been commercialized. Non-compliance with applicable requirements can result in additional penalties, including product seizures, injunction actions and criminal prosecutions.

Canadian Regulation

The requirements for selling pharmaceutical drugs in Canada are substantially similar to those of the United States described above.

Investigational New Drug Application

Before conducting clinical trials of a new drug in Canada, we must submit a Clinical Trial Application (“CTA”) to the Therapeutic Products Directorate (“TPD”). This application includes information about the proposed trial, the methods of manufacture of the drug and controls, preclinical laboratory and animal toxicology tests on the safety and potential efficacy of the drug, and information on any previously executed clinical trials with the new drug. If, within 30 days of receiving the application, the TPD does not notify us that our application is unsatisfactory, we may proceed with clinical trials of the drug. The phases of clinical trials are the same as those described above under “United States Regulation – New Drug Application”.

New Drug Submission

Before selling a new drug in Canada, we must submit a New Drug Submission (“NDS”) or Supplemental New Drug Submission (“sNDS”) to the TPD and receive a Notice of Compliance (“NOC”) from the TPD to sell the drug. The submission includes information describing the new drug, including its proper name, the proposed name under which the new drug will be sold, a quantitative list of ingredients in the new drug, the methods of manufacturing, processing, and packaging the new drug, the controls applicable to these operations, the tests conducted to establish the safety of the new drug, the tests to be applied to control the potency, purity, stability and safety of the new drug, the results of bio-pharmaceutics and clinical trials as appropriate, the intended indications for which the new drug may be prescribed and the effectiveness of the new drug when used as intended. The TPD reviews the NDS or sNDS. If the submission meets the requirements of Canada’s Food and Drugs Act and Regulations, the TPD will issue an NOC for the new drug.

Where the TPD has already approved a drug for sale in controlled-release dosages, we may seek approval from the TPD to sell an equivalent generic drug through an ANDS. In certain cases, the TPD does not require the manufacturer of a proposed drug that is claimed to be equivalent to a drug that has already been approved for sale and marketed, to conduct clinical trials; instead, the manufacturer must satisfy the TPD that the drug is bioequivalent to the drug that has already been approved and marketed.

The TPD may deny approval or may require additional testing of a proposed new drug if applicable regulatory criteria are not met. Product approvals may be withdrawn if compliance with regulatory standards is not maintained or if problems occur after the product reaches the market. Contravention of Canada’s Food and Drugs Act and Regulations can result in fines and other sanctions, including product seizures and criminal prosecutions.

Proposals have recently been made that, if implemented, would significantly change Canada’s drug approval system. In general, the recommendations emphasize the need for efficiency in Canadian drug review. Proposals include establishment of a separate agency for drug regulation and modeling the approval system on those found in European Union countries. There is no assurance, however, that such changes will be implemented or, if implemented, will expedite the approval of new drugs.

The Canadian government has regulations which can prohibit the issuance of an NOC for a patented medicine to a generic competitor, provided that the patentee or an exclusive licensee has filed a list of its Canadian patents covering that medicine with the Minister of Health and Welfare. After submitting the list, the patentee or an exclusive licensee can commence a proceeding to obtain an order of prohibition directed to the Minister prohibiting him or her from issuing an NOC. The minister may be prohibited from issuing an NOC permitting the importation or sale of a patented medicine to a generic competitor until patents on the medicine expire or the waiver of infringement and/or validity of the patent(s) in question is resolved by litigation in the manner set out in such regulations. There may be additional patents relating to a company’s proposed manufacture, use or sale of a product that could potentially prohibit such company’s proposed commercialization of a drug compound.

Certain provincial regulatory authorities in Canada have the ability to determine whether the consumers of a drug sold within such province will be reimbursed by a provincial government health plan for that drug by listing drugs on formularies. The listing or non-listing of a drug on provincial formularies may affect the prices of drugs sold within provinces and the volume of drugs sold within provinces.

Additional Regulatory Considerations

Sales of our products by our licensees outside the United States and Canada will be subject to regulatory requirements governing the testing, registration and marketing of pharmaceuticals, which vary widely from country to country.

Under the U.S. Generic Drug Enforcement Act, ANDA applicants (including officers, directors and employees) who are convicted of a crime involving dishonest or fraudulent activity (even outside the FDA regulatory context) are subject to debarment. Debarment is disqualification from submitting or participating in the submission of future ANDAs for a period of years or permanently. The Generic Drug Enforcement Act also authorizes the FDA to refuse to accept ANDAs from any company which employs or uses the services of a debarred individual. We do not believe that we receive any services from any debarred person.

In addition to the regulatory approval process, pharmaceutical companies are subject to regulations under provincial, state and federal law, including requirements regarding occupational safety, laboratory practices, environmental protection and hazardous substance control, and may be subject to other present and future local, provincial, state, federal and foreign regulations, including possible future regulations of the pharmaceutical industry. We believe that we are in compliance in all material respects with such regulations as are currently in effect.

Before medicinal products can be distributed commercially, a submission providing detailed information must be reviewed and approved by the applicable government or agency in the jurisdiction in which the product is to be marketed. The regulatory review and approval process varies from country to country.

Property, Plant and Equipment

On December 1, 2015, we entered into a lease agreement for a 25,000 square foot facility located at 30 Worcester Road Toronto, Ontario, Canada M9W 5X2 (“30 Worcester Road”), as well as a 40,000 square foot facility on the adjoining property located at 22 Worcester Road, Toronto, Ontario, Canada M9W 5X2, both of which are owned indirectly by the same landlord (“22 Worcester Road”, and together with 30 Worcester Road, the “Combined Properties”) for a five-year term with a five-year renewal option. Basic rent over the five-year term is C\$240,000 per annum for the Combined Properties, subject to an annual consumer price inflation adjustment, and we are responsible for utilities, municipal taxes and operating expenses for the leased property. With these two leased premises, we now have use of 65,000 square feet of commercial space to accommodate our growth objectives over the next several years. We also have an option to purchase the Combined Properties after March 1, 2017 until November 30, 2020 based on a fair value purchase formula. We use our facility at 30 Worcester Road as a current Good Laboratory Practices research laboratory, office space, and cGMP scale-up and small to medium-scale manufacturing plant for solid oral dosage forms. The facility at 30 Worcester Road consists of approximately 4,900 square feet for administrative space, 4,300 square feet for R&D, 9,200 square feet for manufacturing, and 3,000 square feet for warehousing. The 22 Worcester Road building provides approximately 35,000 square feet of warehouse space and approximately 5,000 square feet of office space. The current lease also provides us with a right of first refusal to purchase the Combined Properties. The landlord is required to provide us with at least 60 days prior written notice and the desired sale price for the Combined Properties prior to offering the premises to a third party or on the open market. We have five business days to accept such offer and purchase price for a transaction to close within 60 days of the notice. If we decline the offer, the landlord is entitled to offer and sell the properties for a purchase price of not less than the price offered to us for a period of 180 days, after which time the landlord is again obliged to offer the properties to us before offering them to a third party or on the open market. On September 17, 2018, the Company entered into a lease default agreement with the landlord with respect to past-due amounts owing under the lease. Pursuant to the terms of the agreement, the Company has acknowledged the amounts owing and agreed to payment terms beginning October 31, 2018. In return, the landlord has agreed to forbear from enforcing any rights or remedies under the agreement, subject to payments being made as scheduled.

We continually monitor our facility requirements in the context of our needs and we expect these requirements to change commensurately with our activities.

SELECTED FINANCIAL DATA

The following selected financial data of the Company has been derived from the audited consolidated financial statements of the Company as at and for the years ended November 30, 2017, 2016, 2015, 2014, and 2013. As a result of the IPC Arrangement Agreement completed on October 22, 2009, we selected a November 30 year end. The comparative number of shares issued and outstanding, basic and diluted loss per share have been amended to give effect to this arrangement transaction. These statements were prepared in accordance with U.S. GAAP. All dollar amounts in this prospectus are expressed in U.S. dollars, unless otherwise indicated.

(in thousands of U.S. dollars, except for per share data)

	(Unaudited) As at and for the six months ended May 31, 2018	As at and for the year ended November 30, 2017	As at and for the year ended November 30, 2016	As at and for the year ended November 30, 2015	As at and for the year ended November 30, 2014	As at and for the year ended November 30, 2013
Revenue	911	5,504	2,247	4,094	8,770	1,527
Net loss for the year	(6,009)	(8,857)	(10,144)	(7,436)	(3,856)	(11,495)
Total assets	6,668	7,397	7,974	5,224	7,875	4,380
Total liabilities	7,699	7,010	6,858	5,362	2,966	10,335
Net assets	(1,031)	387	1,116	(138)	4,909	(5,955)
Capital stock	38,698	35,290	29,831	21,481	18,941	11,721
Loss per share - basic and diluted	(1.57)	(2.86)	(3.80)	(3.13)	(1.67)	(5.84)
Dividends	-	-	-	-	-	-
Weighted average common shares	3,831	3,101	2,670	2,377	2,305	1,967

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the historical consolidated financial statements of the Company the other financial information appearing elsewhere in, or incorporated by reference into, this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Please see “Cautionary Note Regarding Forward-Looking Information” for a discussion of the risks, uncertainties and other factors associated with these statements. The results of operations for the periods reflected herein are not necessarily indicative of results that may be expected for future periods, and our actual results may differ materially from those discussed in our forward-looking statements as a result of various factors, including, but not limited to, those listed under “Risk Factors” on page 7 of this prospectus and those included elsewhere in, or incorporated by reference into, this prospectus. The consolidated financial statements have been prepared in accordance with U.S. GAAP. All amounts are expressed in United States dollars unless otherwise noted. Annual references are to the Company’s fiscal years, which ended on November 30, 2017, 2016 and 2015.

Operating Results

Our results of operations have fluctuated significantly from period to period in the past and are likely to do so in the future. We anticipate that our quarterly and annual results of operations will be impacted for the foreseeable future by several factors, including the timing of approvals to market our product candidates in various jurisdictions and any resulting licensing revenue, milestone revenue, product sales, the number of competitive products and the extent of any aggressive pricing activity, wholesaler buying patterns, the timing and amount of payments received pursuant to our current and future collaborations with third parties, the existence of any first-to-file exclusivity periods, and the progress and timing of expenditures related to our research, development and commercialization efforts. Due to these fluctuations, we presently believe that the period-to-period comparisons of our operating results are not a reliable indication of our future performance.

Six Months Ended May 31, 2018 Compared to the Six Month Ended May 31, 2017

Revenue

The Company recorded revenues of \$911,485 for the six months ended May 31, 2018 versus \$3,236,878 for the six months ended May 31, 2017. Such revenues consisted primarily of licensing revenues from commercial sales of the 15, 25, 30 and 35 mg strengths of our generic Focalin XR® under the Par Agreement. The decrease in revenues in the six months ended May 31, 2018 compared to the six months ended May 31, 2017 is primarily due to considerably lower profit share payments from sales of generic Focalin XR® capsules in the U.S. Beginning in early 2018, we began to see significant impact from aggressive pricing by competitors, resulting in a marked increase in gross-to-net deductions such as wholesaler rebates, chargebacks and pricing adjustments. These deductions often have the most impact in the first month they are applied and we have begun to see some improvement in product profitability from the first quarter of 2018 to the second quarter. Despite some improvement, overall profitability remains substantially lower than in 2017.

Revenues from generic Seroquel XR® are still well below levels expected at the launch of the product in 2017, primarily due to the Company's commercial partner entering the market later than planned. Several initiatives to gain market share have shown some improved returns, however, it is expected to take some time to determine if the product can achieve meaningful market penetration. Management is continuing to evaluate strategic options to improve returns from this product.

Cost of goods sold

The Company recorded cost of goods sold of \$65,874 for the six months ended May 31, 2018 versus \$211,372 for the six months ended May 31, 2017. Cost of sales for the six months ended May 31, 2018, reflects the Company's manufacturing shipment of generic Seroquel XR® to Mallinckrodt.

Research and Development

Expenditures for R&D for the six months ended May 31, 2018 were lower by \$249,371 compared to the six months ended May 31, 2017. The decrease is primarily due to lower stock option compensation expense in the six months ended May 31, 2018 compared to the six months ended May 31, 2017. We recorded higher stock option compensation expense, as a result of certain performance-based stock options vesting upon FDA approvals, as described below.

In the six months ended May 31, 2018, we recorded \$67,995 of expenses for stock-based compensation for R&D employees compared to \$1,602,025 for the six months ended May 31, 2017, of which \$1,577,772 was for expenses related to performance-based stock options which vested on FDA approval for metformin hydrochloride extended release tablets in February 2017 and FDA approval of our quetiapine fumarate extended release tablets in May 2017.

After adjusting for the stock-based compensation expenses discussed above, expenditures for R&D for the six months ended May 31, 2018 were higher by \$1,284,659 compared to the six months ended May 31, 2017. The increase was primarily due to an increase in third party R&D expenditures as a result of ongoing clinical trials for Oxycodone ER.

Selling, General and Administrative

Selling, general and administrative expenses were \$1,981,319 for the six months ended May 31, 2018 in comparison to \$1,718,225 for the six months ended May 31, 2017, an increase of \$263,094. The increase is due to higher expenses related to wages and benefits and administrative costs discussed in greater detail below.

Administrative costs for the six months ended May 31, 2018 were \$1,042,642 in comparison to \$838,983 in the six months ended May 31, 2017. The increase in the six months ended May 31, 2018 was due to the increase in professional fees and legal fees.

Expenditures for wages and benefits for the six months ended May 31, 2018 were \$629,867 in comparison to \$582,702 in the six months ended May 31, 2017. For the six months ended May 31, 2018, we recorded \$26,811 as expense for stock-based compensation compared to an expense of \$42,843 for the six months ended May 31, 2017. After adjusting for the stock-based compensation expenses, expenditures for wages for the six months ended May 31, 2018 were higher by \$63,197 compared to the six months ended May 31, 2017. The increase is attributable to higher compensation expense due to staff additions.

Marketing costs for the six months ended May 31, 2018 were \$238,633 in comparison to \$229,055 in the six months ended May 31, 2017. This increase is primarily the result of an increase in travel expenditures related to business development and investor relations activities.

Occupancy costs for the six months ended May 31, 2018 were \$70,177 in comparison to \$67,485 for the six months ended May 31, 2017. The slight increase is due to the incremental cost of leasing an adjoining facility in order to meet the Company's anticipated growth requirements.

Depreciation

Depreciation expenses for the six months ended May 31, 2018 were \$302,026 in comparison to \$198,362 in the six months ended May 31, 2017. The increase is primarily due to the additional investment in production, laboratory and computer equipment during the six months ended May 31, 2018.

Foreign Exchange Gain

Foreign exchange gain was \$7,700 for the six months ended May 31, 2018 in comparison to a gain of \$17,306 in the six months ended May 31, 2017. The foreign exchange gain for the six months ended May 31, 2018 was due to the strengthening of the U.S. dollar against the Canadian dollar during the six months ended May 31, 2018 as the exchange rates changed to \$1.00 for C\$1.2948 as at May 31, 2018 from \$1.00 for C\$1.2888 as at November 30, 2017. The foreign exchange gain for the six months ended May 31, 2017 was due to the strengthening of the U.S. dollar against the Canadian dollar during the six months ended May 31, 2017 as the exchange rates changed to \$1.00 for C\$1.3500 as at May 31, 2017 from \$1.00 for C\$1.3429 as at November 30, 2016.

Interest Income

Interest income for the six months ended May 31, 2018 was lower by \$15,011 in comparison to the prior period. For the six months ended May 31, 2018 interest was lower largely due to interest received on input tax credit refunds under the Scientific Research & Experimental Development incentive program in the second quarter of 2017.

Interest Expense

Interest expense for the six months ended May 31, 2018 was higher by \$109,225 compared with the prior period. This is due to interest expense paid on the 2013 Debenture which accrues interest payable at 12% annually and the related conversion option embedded derivative accreted at an annual imputed interest of approximately 4.9% in the first six months of 2018 in comparison to the first six months of 2017 when the 2013 Debenture imputed interest was approximately 15.2%.

Net Loss

The Company recorded net loss for the six months ended May 31, 2018 of \$6,008,864 or \$1.57 per Common Share, compared with a net loss of \$3,796,190 or \$1.26 per Common Share for the six months ended May 31, 2017. In the six months ended May 31, 2018, the higher net loss is attributed to the lower licensing revenues from commercial sales of generic Focalin XR® combined with increased legal and other administrative expenses. In the six months ended May 31, 2017, the net loss was attributed to the ongoing R&D and selling, general and administrative expenses. The lower net loss in 2017 is primarily attributed to higher licensing revenues from commercial sales of Focalin XR®, partially offset by an increase in performance based stock option expense.

Year Ended November 30, 2017 Compared to the Year Ended November 30, 2016

Revenue

The Company recorded revenues of \$5,504,452 for the year ended November 30, 2017 versus \$2,247,002 for the year ended November 30, 2016. Revenues consisted primarily of licensing revenues from commercial sales of the 10, 15, 20, 25, 30 and 35 mg of generic Focalin XR® under the Par Agreement. The increase in revenues in the current year period is primarily due to the launch in January 2017 of the 25 and 35 mg strengths of generic Focalin XR® capsules in the U.S. and also reflects revenue from the Company's generic Seroquel XR® launched by Mallinckrodt in June 2017. The Company's revenues on the 25 and 35 mg strengths of generic Focalin XR® showed some decline commencing July 2017 when their six month exclusivity expired, but have since leveled off. The 15 and 30 mg strengths continue to perform well, with the 10 and 20 mg strengths contributing less due to their launch date being late August 2017. The 5 and 40 mg strengths did not contribute at all to top line revenue in fiscal 2017 as the products were not in the market until after year end. Revenues from generic Seroquel XR® were considerably lower than originally anticipated, primarily due to timing of the product launch, which was several weeks after other generics entered the market. As such, it is expected to take some time to gain market share as wholesaler contracts come up for renewal. Revenues under the Par and Mallinckrodt agreements represent the commercial sales of the generic products in those strengths and may not be representative of future sales.

Cost of goods sold

The Company recorded cost of goods sold of \$704,006 for the year ended November 30, 2017 versus \$0 for the year ended November 30, 2016. Cost of sales for the year ended November 30, 2017, reflects the Company's shipments of generic Seroquel XR® to Mallinckrodt which are manufactured by the Company and supplied to Mallinckrodt on a cost-plus basis. This product was not marketed or sold prior to fiscal 2017.

Research and Development

Expenditures for R&D for the year ended November 30, 2017 were higher by \$1,104,617 compared to the year ended November 30, 2016. The increase is primarily due to higher stock option compensation expense as a result of certain performance based stock options vesting upon FDA approval of quetiapine fumarate extended release tablets in the 50, 150, 200, 300 and 400 mg strengths, as detailed below. R&D expenses are also higher due to higher third party consulting fees associated with our preparation for the FDA Advisory Committee meeting in relation to our Oxycodone ER NDA filing.

In the year ended November 30, 2017, we recorded \$1,654,051 of expenses for stock-based compensation for R&D employees, of which \$1,577,772 was for expenses related to performance based stock options which vested on FDA approval for metformin hydrochloride extended release tablets in February 2017 and FDA approval of our quetiapine fumarate extended release tablets in May 2017. In the year ended November 30, 2016, we recorded \$1,995,805 as expense for stock based compensation for R&D employees, of which \$620,632 was for expenses related to performance based stock options which vested on FDA approval of our generic Keppra XR® in February 2016.

After adjusting for the stock-based compensation expenses discussed above, expenditures for R&D for the year ended November 30, 2017 were higher by \$1,446,371 compared to the year ended November 30, 2016. The increase was primarily due to costs related to preparing for the FDA Advisory Committee meeting, an increase in third party R&D expenditures and higher compensation expense.

Selling, General and Administrative

Selling, general and administrative expenses were \$3,287,914 for the year ended November 30, 2017 in comparison to \$3,546,132 for the year ended November 30, 2016, a decrease of \$258,218. The decrease is due to lower wages and benefits and administrative costs offset by higher expenses related to marketing cost and occupancy cost discussed in greater detail below.

Expenditures for wages and benefits for the year ended November 30, 2017 were \$1,240,361 in comparison to \$1,454,501 in the year ended November 30, 2016. For the year ended November 30, 2017, we recorded \$95,948 as expense for stock-based compensation compared to an expense of \$265,639 for the year ended November 30, 2016. After adjusting for the stock-based compensation expenses, expenditures for wages for the year ended November 30, 2017 were lower by \$44,449 compared to the year ended November 30, 2016. The decrease is attributable to the accrual of bonuses to certain management employees in the year ended November 30, 2016, there were no bonuses paid in the year ended November 30, 2017.

Administrative costs for the year ended November 30, 2017 were \$1,402,253 in comparison to \$1,558,633 in the year ended November 30, 2016. The decrease relates primarily to lower professional fees.

Marketing costs for the year ended November 30, 2017 were \$502,688 in comparison to \$413,646 in the year ended November 30, 2016. The increase is primarily the result of an increase in travel expenditures related to business development and investor relations activities.

Occupancy costs for the year ended November 30, 2017 were \$142,612 in comparison to \$119,352 for the year ended November 30, 2016. The increase is due to the incremental cost of leasing an adjoining facility in order to meet the Company's anticipated growth requirements.

Depreciation

Depreciation expenses for the year ended November 30, 2017 were \$506,961 in comparison to \$385,210 in the year ended November 30, 2016. The increase is primarily due to the additional investment in production, laboratory and computer equipment during the year ended November 30, 2017.

Foreign Exchange Loss

Foreign exchange loss was \$80,093 for the year ended November 30, 2017 in comparison to a loss of \$22,470 in the year ended November 30, 2016. The foreign exchange loss for the year ended November 30, 2017 was due to the weakening of the Canadian dollar against the U.S. dollar during the year ended November 30, 2017 as the exchange rates changed to \$1.00 for C\$1.2888 as at November 30, 2017 from \$1.00 for C\$1.3429 as at November 30, 2016. The foreign exchange loss for the year ended November 30, 2016 was due to the weakening of the Canadian dollar against the U.S. dollar during the year ended November 30, 2016 as the exchange rates changed to \$1.00 for C\$1.3429 as at November 30, 2016 from \$1.00 for C\$1.3353 as at November 30, 2015.

Interest Income

Interest income for the year ended November 30, 2017 was higher by \$14,830 in comparison to the prior period. For the year ended November 30, 2017 interest was higher largely due to interest received on input tax credit refunds under the Scientific Research & Experimental Development program.

Interest Expense

Interest expense for the year ended November 30, 2017 was higher by \$119,001 compared with the prior period. This is due to interest expense paid in 2017 on the 2013 Debenture which accrues interest payable at 12% annually and the related conversion option embedded derivative accreted at an annual imputed interest of approximately 15.2%, in comparison to the first nine months of 2016 when the 2013 Debenture imputed interest was approximately 4.2%.

Net Loss

The Company recorded net loss for the year ended November 30, 2017 of \$8,857,440 or \$2.86 per Common Share, compared with a net loss of \$10,143,577 or \$3.80 per Common Share for the year ended November 30, 2016. In the year ended November 30, 2017, the net loss was attributed to the ongoing R&D and selling, general and administrative expenses, partially offset by licensing revenues from commercial sales of generic Focalin XR® and to a lesser extent, sales of generic Seroquel XR® shipped to Mallinckrodt. The net loss in 2017 is lower compared to 2016 due to higher licensing revenues which were partially offset by an increase in performance based stock option expense and higher third party R&D expenditures. Revenue from commercial sales of generic Focalin XR® and generic Seroquel XR® in the year ended November 30, 2017, was \$4,269,691 versus \$2,209,502 in fiscal 2016. This is primarily due to the launch of additional strengths of generic Focalin XR® in 2017 as well as the launch of generic Seroquel XR®. In the year ended November 30, 2016, the higher net loss was primarily attributed to lower licensing revenues from commercial sales of generic Focalin XR® for 2016. To a lesser extent, the higher loss for the 2016 period was due to the accrual of management bonuses and additional compensation costs related to vested performance options as a result of the FDA approval of generic Keppra XR® and the Company's shareholders approving an extension of the expiry date of the performance based stock options.

Year Ended November 30, 2016 Compared to the Year Ended November 30, 2015

Revenue

The Company recorded revenues of \$2,247,002 for the year ended November 30, 2016 versus \$4,093,781 for the year ended November 30, 2015. For the year ended November 30, 2016, we recognized licensing revenue of \$2,209,502 from commercial sales of 15 and 30 mg strengths of generic Focalin XR® capsules under the Par Agreement. The decrease in revenues is primarily due to increased competition and a softening of pricing conditions for our generic Focalin XR® capsules. A fifth generic competitor entered the market in the second half of 2015, resulting in increased price competition and lower market share. Based on the most recent two month trend, our market share for the 15 and 30 mg strengths was approximately 30% for the combined strengths of our generic Focalin XR® capsules. In addition, during the year ended November 30, 2016, the Company received a non-refundable up-front payment of \$3,000,000 from Mallinckrodt pursuant to the Mallinckrodt agreement, of which \$37,500 was recognized as revenue. Such up-front fees are recognized over the expected ten year term of the contract. There were no up-front fees recognized in the year ended November 30, 2015.

Research and Development

Expenditures for R&D for the year ended November 30, 2016 were higher by \$919,263 compared to the year ended November 30, 2015. The increase is primarily due to higher stock option compensation expense as a result of certain performance based stock options vesting upon FDA approval of generic Keppra XR®, and additional compensation costs related to vested performance options as a result of the Company's shareholders approving a two year extension of the expiry date of the performance based stock options from September 2016 to September 2018, partially offset by lower spending for ongoing R&D work, as detailed below.

In the year ended November 30, 2016 we recorded \$1,995,805 as expense for stock based compensation for R&D employees, of which \$620,632 was for expenses related to performance based stock options which vested on FDA approval of our generic Keppra XR® in February 2016. As a result of the modification of the performance based stock option expiry date, we recorded additional compensation costs of \$1,177,782 related to vested performance options during the year ended November 30, 2016. In the year ended November 30, 2015, we recorded \$152,231 as expenses for stock-based compensation expense.

After adjusting for the stock-based compensation expenses discussed above, expenditures for R&D for the year ended November 30, 2016 were lower by \$924,311 compared to the year ended November 30, 2015. This is primarily due to the fact that during the year ended November 30, 2016 we incurred lower expenditures on the development of several generic product candidates (specifically for clinical studies), partially offset by an accrual of bonuses to certain management employees, compared to the year ended November 30, 2015. There were no management bonuses paid in the year ended November 30, 2015.

Selling, General and Administrative

Selling, general and administrative expenses were \$3,546,132 for the year ended November 30, 2016 in comparison to \$3,581,913 for the year ended November 30, 2015, a decrease of \$35,781. The decrease was due to a decrease in corporate legal activities and other professional fees, offset by an expense for management bonuses discussed in greater detail below.

Expenditures for wages and benefits for the year ended November 30, 2016 were \$1,454,501 in comparison to \$1,305,614 in the year ended November 30, 2015, an increase of \$148,887, primarily due to the accrual of bonuses to certain management employees. There were no bonuses paid in the year ended November 30, 2015. For the year ended November 30, 2016, we recorded \$265,639 as an expense for stock-based compensation compared to an expense of \$265,587 for the year ended November 30, 2015.

Administrative costs for the year ended November 30, 2016 were \$1,558,633 in comparison to \$1,751,315 in the year ended November 30, 2015. The decrease was primarily due to a decrease in expenditures in corporate legal activities and other professional fees.

Marketing costs for the year ended November 30, 2016 were \$413,646 in comparison to \$434,902 in the year ended November 30, 2015. The decrease was attributable to the decrease in travel expenditures related to business development and investor relations activities.

Occupancy costs for the year ended November 30, 2016 were \$119,352 in comparison to \$90,082 for the year ended November 30, 2015. The increase was due to the incremental cost of leasing an adjoining facility in order to meet the Company's anticipated growth requirements.

Depreciation

Depreciation expenses for the year ended November 30, 2016 were \$385,210 in comparison to \$377,849 in the year ended November 30, 2015. The increase was primarily due to the additional investment in production, laboratory and computer equipment during the year ended November 30, 2016.

Net Foreign Exchange (Loss) Gain

Foreign exchange loss was \$22,470 for the year ended November 30, 2016 in comparison to a gain of \$46,211 in the year ended November 30, 2015. The foreign exchange loss for the year ended November 30, 2016 was due to the weakening of the Canadian dollar against the U.S. dollar during the year ended November 30, 2016 as the exchange rates changed to \$1.00 for C\$1.3429 as at November 30, 2016 from \$1.00 for C\$1.3353 as at November 30, 2015. During the year ended November 30, 2016, the exchange rate averaged \$1.00 for C\$1.3276 compared to the year ended November 30, 2015, when the exchange rate averaged \$1.00 for C\$1.2603.

Interest Income

Interest income for the year ended November 30, 2016 was lower by \$1,300 in comparison to the prior period. For the year ended November 30, 2016 interest was lower largely due to lower average amounts of cash on hand compared to the year ended November 30, 2015.

Interest Expense

Interest expense for the year ended November 30, 2016 was higher by \$13,609 compared with the prior period. This is primarily because the interest expense paid on the 2013 Debenture which accrues interest payable at 12% annually and the related conversion option embedded derivative accreted at an annual imputed interest of approximately 6.6% in fiscal 2016. During the fiscal year 2015, the conversion option embedded derivative accreted at an annual imputed interest of approximately 15%, offset by a credit to interest expense at an imputed interest rate of 14.6%, during the third quarter of 2015, due to the extinguishment of the debt from an accounting perspective.

Net Loss

The Company recorded net loss for the year ended November 30, 2016 of \$10,143,577 or \$3.80 per Common Share, compared with a net loss of \$7,436,388 or \$3.13 per Common Share for the year ended November 30, 2015. In the year ended November 30, 2016, the higher net loss was primarily attributed to lower licensing revenues from commercial sales of generic Focalin XR® for 2016. To a lesser extent, the higher loss for the 2016 period was due to the accrual of management bonuses and additional compensation costs related to vested performance options as a result of the FDA approval of generic Keppra XR® and the Company's shareholders approving an extension of the expiry date of the performance based stock options. In the year ended November 30, 2015, the net loss was attributed to the ongoing R&D and selling, general and administrative expense, partially offset by licensing revenue.

Liquidity and Capital Resources

	For the three months ended				For the six months ended			
	May 31, 2018 (UNAUDITED)	May 31, 2017 (UNAUDITED)	Change		May 31, 2018 (UNAUDITED)	May 31, 2017 (UNAUDITED)	Change	
	\$	\$	\$	%	\$	\$	\$	%
Cash flows used in operating activities	(3,545,356)	(952,428)	(2,592,928)	272%	(5,133,366)	(2,672,727)	(2,460,639)	92%
Cash flows provided by financing activities	4,681,311	840,595	3,840,716	457%	4,681,311	1,523,536	3,157,775	207%
Cash flows used in investing activities	(45,507)	(797,173)	751,666	-94%	(84,332)	(1,519,615)	1,435,283	-94%
Increase (decrease) in cash	1,090,448	(909,006)	1,999,454	-220%	(536,387)	(2,668,806)	2,132,419	-80%
Cash, beginning of period	270,226	2,384,624	(2,114,398)	-89%	1,897,061	4,144,424	(2,247,363)	-54%
Cash, end of period	1,360,674	1,475,618	(114,944)	-8%	1,360,674	1,475,618	(114,944)	-8%

The Company had cash of \$1,360,674 as at May 31, 2018 compared to \$270,226 as at February 28, 2018. The increase in cash during the three months ended May 31, 2018 was mainly a result of cash flows provided by financing activities, offset by lower cash receipts relating to commercial sales of our generic Focalin XR® capsules, and an increase in R&D expenses related to our ongoing product development activities. The decrease in cash during the three months ended May 31, 2017 was mainly a result of expenditures for R&D and selling, general, and administrative expenses, which included increased consulting fees incurred to prepare for the July 26, 2017 Advisory Committees meeting and an increase in purchases of plant and production equipment to support our generic Seroquel XR® launch, which were only partially offset by cash receipts from commercialized sales of our generic Focalin XR® and cash proceeds provided from financing activities derived from Common Share sales under the Company's at-the-market offering program.

For the three and six months ended May 31, 2018, net cash flows used in operating activities increased to \$3,545,356 and \$5,133,366, respectively, as compared to net cash flows used in operating activities for the three and six months ended May 31, 2017 of \$952,428 and \$2,672,727. The increase was primarily a result of the higher loss from operations, offset by an increase in accounts payable and a decrease in accounts receivable, as well as increases in prepaid expenses and inventory.

R&D costs, which are a significant portion of the cash flows used in operating activities, related to continued internal research and development programs are expensed as incurred. Equipment and supplies are capitalized and amortized over their useful lives if they have alternative future uses.

For the three and six months ended May 31, 2018, net cash flows provided from financing activities were \$4,681,311 and \$4,681,311, compared to \$840,595 and \$1,523,536, respectively, for the three and six months ended May 31, 2017. Net cash flows from financing activities in the three and six months ended May 31, 2018 were related to two registered direct offerings of an aggregate of 883,333 Common Shares at a price of \$6.00 per share (post reverse-split) for gross proceeds of \$5,300,000. Net cash flows from financing activities in the three and six months ended May 31, 2017 related to at-the-market issuances of 37,180 and 59,316 Common Shares sold on Nasdaq for gross proceeds of \$871,449 and \$1,448,472, with net proceeds to the Company of \$845,785 and \$1,406,243, respectively, and to the exercise of 3,104 and 30,601 warrants resulting in the issuance of 1,552 and 15,300 Common Shares for net proceeds of \$29,958 and \$295,308, respectively, partially offset by capital lease payments.

All non-cash items have been added back or deducted from the consolidated statements of cash flows.

With the exception of the quarter ended February 28, 2014, the Company has incurred losses from operations since inception. To date, the Company has funded its R&D activities principally through the issuance of securities, loans from related parties, funds from the IPC Arrangement Agreement and funds received under commercial license agreements. Since November 2013, research has also been funded from revenues from sales of our generic Focalin XR® capsules for the 15 and 30 mg strengths. With the launch of the 25 and 35 mg strengths by Par in January 2017, the launch of the 10 and 20 mg strengths in May 2017 along with the launch of the 5 and 40 mg strengths in November 2017, we expect sales of generic Focalin XR® to show some improvement longer term. However, due to continued competitive pressures, we expect net profit payments from this product to be negatively impacted for the next several quarters. As of November 30, 2017, the Company had a cash balance of \$1.9 million. As of May 31, 2018, our cash balance was \$1.4 million. While we expect to satisfy certain short term capital needs from cash on hand and profit transfer payments from our commercial partners, we need to obtain additional funding as we further the development of our product candidates. Potential sources of capital may include payments from licensing agreements, cost savings associated with managing operating expense levels, other equity and/or debt financings, and/or new strategic partnership agreements which fund some or all costs of product development. We intend to utilize the equity markets to bridge any funding shortfall and to provide capital to continue to advance our most promising product candidates. Our future operations are highly dependent upon our ability to source additional capital to support advancing our product pipeline through continued R&D activities and to fund any significant expansion of our operations. Our ultimate success will depend on whether our product candidates receive the approval of the FDA or Health Canada and whether we are able to successfully market approved products. We cannot be certain that we will be able to receive FDA or Health Canada approval for any of our current or future product candidates, that we will reach the level of sales and revenues necessary to achieve and sustain profitability, or that we can secure other capital sources on terms or in amounts sufficient to meet our needs or at all. Our cash requirements for R&D during any period depend on the number and extent of the R&D activities we focus on. At present, we are working principally on our Oxycodone ER 505(b)(2), PODRAS™ technology, additional 505(b)(2) product candidates for development in various indication areas and selected generic product candidate development projects. Our development of Oxycodone ER will require significant expenditures, including costs to defend against the Purdue litigation. For our Regabatin™ XR 505(b)(2) product candidate, Phase III clinical trials can be capital intensive, and will only be undertaken consistent with the availability of funds and a prudent cash management strategy. We anticipate some investment in fixed assets and equipment over the next several months, the extent of which will depend on cash availability.

Effective September 28, 2017, the maturity date for the 2013 Debenture was extended to October 1, 2018. Effective October 1, 2018, the maturity date for the 2013 Debenture was further extended to April 1, 2019. The Company currently expects to repay the current outstanding principal amount of \$1,350,000 on or about April 1, 2019, if the Company then has cash available.

The availability of equity or debt financing will be affected by, among other things, the results of our R&D, our ability to obtain regulatory approvals, our success in commercializing approved products with our commercial partners and the market acceptance of our products, the state of the capital markets generally, strategic alliance agreements, and other relevant commercial considerations. In addition, if we raise additional funds by issuing equity securities, our then existing security holders will likely experience dilution, and the incurring of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that would restrict our operations. In the event that we do not obtain sufficient additional capital, it will raise substantial doubt about our ability to continue as a going concern, realize our assets and pay our liabilities as they become due. Our cash outflows are expected to consist primarily of internal and external R&D, legal and consulting expenditures to advance our product pipeline and selling, general and administrative expenses to support our commercialization efforts. Depending upon the results of our R&D programs, the impact of the Purdue litigation and the availability of financial resources, we could decide to accelerate, terminate, or reduce certain projects, or commence new ones. Any failure on our part to successfully commercialize approved products or raise additional funds on terms favorable to us or at all, may require us to significantly change or curtail our current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated, and could result in us not taking advantage of business opportunities, in the termination or delay of clinical trials or us not taking any necessary actions required by the FDA or Health Canada for one or more of our product candidates, in curtailment of our product development programs designed to identify new product candidates, in the sale or assignment of rights to our technologies, products or product candidates, and/or our inability to file ANDAs, ANDSs or NDAs at all or in time to competitively market our products or product candidates.

Trend Information

It is important to note that historical patterns of revenue and expenditures cannot be taken as an indication of future revenue and expenditures. Net loss has been somewhat variable over the last eight quarters, and has been impacted primarily by the commercial sales of generic Focalin XR® capsules, the level of our R&D spending, availability of funding and the vesting or modification of performance based stock options. The lower net loss in the fourth quarter of 2017 is primarily attributed to lower R&D spending and selling, general and administrative expenses, partially offset by lower licensing revenues. The higher net loss in the third quarter of 2017 is primarily due to lower licensing revenue as a result of the expiration of exclusivity on the 25 and 35 mg strengths of generic Focalin XR® resulting in higher than normal wholesaler returns, along with higher expenses related to the FDA Advisory Committee meeting in July 2017. The lower net loss in the second quarter of 2017 is primarily attributed to higher licensing revenues from commercial sales of generic Focalin XR® in the 25 and 35 mg strengths complementing the 15 and 30 mg strengths of our generic Focalin XR® marketed by Par, partially offset by an increase in performance based options expense and higher third party consulting fees. The lower net loss in the first quarter of 2017 is primarily attributed to higher licensing revenues from commercial sales of generic Focalin XR® due to Par's launch of the 25 and 35 mg strengths of its generic Focalin XR® capsules in that quarter, partially offset by an increase in performance based stock options expense and legal and other professional fees. The higher net loss in the fourth quarter of 2016 is attributable to the accrual of management bonuses (there were no management bonuses paid in fiscal 2015) and additional compensation costs related to vested performance based stock options as a result of the Company's shareholders approving an extension of the expiry date of the performance based stock options.

The following selected financial information is derived from our unaudited interim consolidated financial statements.

Quarter Ended	Loss per share			
	Revenue	Net loss	Basic (i)	Diluted (i)
	\$	\$	\$	\$
May 31, 2018	576,967	(2,859,276)	(0.68)	(0.68)
February 28, 2018	334,518	(3,149,588)	(0.91)	(0.91)
November 30, 2017	1,077,835	(2,510,936)	(0.76)	(0.76)
August 31, 2017	1,189,739	(2,550,314)	(0.83)	(0.83)
May 31, 2017	2,001,512	(1,805,329)	(0.59)	(0.59)
February 28, 2017	1,235,366	(1,990,861)	(0.66)	(0.66)
November 30, 2016	569,096	(3,913,304)	(1.34)	(1.34)
August 31, 2016	554,925	(2,110,156)	(0.74)	(0.74)

(i) Quarterly per share amounts may not sum due to rounding.

Off-Balance Sheet Arrangements

The Company, as part of its ongoing business, does not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities ("SPE"), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of May 31, 2018, the Company was not involved in any material unconsolidated SPE transactions.

Contractual Obligations

In the table below, we set forth our enforceable and legally binding obligations and future commitments and obligations related to all contracts. Some of the figures we include in this table are based on management's estimate and assumptions about these obligations, including their duration, the possibility of renewal, anticipated actions by third parties, and other factors. Operating lease obligations relate to the lease of premises for the Combined Properties which will expire in November 2020, subject to a five year renewal option. The Company also has an option to purchase the Combined Properties up to November 30, 2020 based on a fair value purchase formula but does not currently expect to exercise this option in 2018.

As of May 31, 2018	Less than 3 months	3 to 6 months	6 to 9 months	9 months to 1 year	Greater than 1 year	Total
	\$	\$		\$	\$	\$
Third parties						
Accounts payable	2,931,487	-	-	-	-	2,931,487
Accrued liabilities	708,575	-	-	-	-	708,575
Related parties						
Employee costs payable	223,698	-	-	-	-	223,698
Convertible debenture	40,805	1,363,450	-	-	-	1,404,255
	3,904,565	1,363,450	-	-	-	5,268,015

Equity Offerings

For information regarding certain registered direct offerings by us within the past 12 months, see “Prior Sales.”

At-The-Market Termination

On March 13, 2018, we terminated the continuous offering by us under the prospectus supplement dated July 18, 2017 and prospectus dated July 17, 2017 in respect of our at-the-market program. If we seek to offer and sell Common Shares under our at-the-market program, we will file another prospectus supplement prior to making such additional offers and sales. We are not required to sell shares under the equity distribution agreement that we entered into with Roth Capital Partners, LLC, or Roth, in November 2013, relating to our at-the-market program. There can be no assurance that any additional shares will be sold under our at-the-market program. For further information regarding the at-the-market program and sales thereunder, see “—Risk Factors--Sales of a significant number of our Common Shares in the public markets, or the perception that such sales could occur, could depress the market price of the Common Shares.”

For more information about these offerings, see the documents we have filed with the SEC in connection with such offerings. See “Where You Can Find More Information; Incorporation by Reference” in this prospectus.

CONSOLIDATED CAPITALIZATION

The following table sets forth our capitalization as of May 31, 2018:

- on an actual basis, adjusted to reflect the 1-for-10 reverse split effected September 12, 2018, without giving effect to this offering and the use of net proceeds as discussed in “Use of Proceeds”; and
- on an as-adjusted basis to reflect this offering and the use of net proceeds therefrom as discussed in “Use of Proceeds.”

This capitalization table should be read in conjunction with our report on Form 6-K including our financial statements in respect of the three months and six months ended May 31, 2018, and the other financial information included and incorporated by reference in this prospectus.

As of May 31, 2018, we had cash totaling \$1.4 million.

	As of May 31, 2018	
	Actual	As Adjusted
Short term debt-due to related parties based on contractual maturities:	\$ 1,403,224	\$ 1,403,224
Common Shares, unlimited amount authorized, 4,353,678 issued and outstanding:	\$ 38,697,900	\$ 48,992,565
	\$ 40,101,124	\$ 50,395,789

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately \$10.3 million, based on an assumed public offering price per Unit of \$1.38, the last reported sale price of our Common Shares on Nasdaq on October 8, 2018, assuming the sale of 8,695,652 Units and no sale of any Pre-Funded Units in this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and excluding the proceeds, if any, from the exercise of Warrants issued pursuant to this offering. If the underwriter exercises its option to purchase the additional Units in full, we estimate that the net proceeds will be approximately \$11.9 million, based on an assumed public offering price per Unit of \$1.38, the last reported sale price of our Common Shares on Nasdaq on October 8, 2018, assuming the sale of 9,999,999 Units and no sale of any Pre-Funded Units in this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and excluding the proceeds, if any, from the exercise of the Warrants issued pursuant to this offering.

We currently intend to use the net proceeds from this offering for general corporate purposes, which may include working capital, capital expenditures, R&D, accounts payable, and other commercial expenditures. We expect from time to time to evaluate the acquisition of products and technologies for which a portion of the net proceeds may be used, although we currently are not planning or negotiating any such transactions.

The amounts actually expended for each purpose may vary significantly depending upon numerous factors, including the amount and timing of the proceeds from this offering and progress with the clinical development of our product candidates. Expenditures will also depend upon the establishment of collaborative arrangements with other companies, the availability of additional financing and other factors. Investors will be relying on the judgment of our management regarding the application of the proceeds of any sale of shares of our securities.

As of the date of this prospectus, we cannot specify with certainty all of the particular uses of the proceeds from this offering. Accordingly, we will retain broad discretion over the use of such proceeds. Pending the use of the net proceeds from this offering as described above, we intend to invest the net proceeds in investment-grade, interest-bearing securities.

The actual offering price per Unit and Pre-Funded Unit, and the exercise price of the Warrants, as applicable, will be as determined by negotiation between us and the underwriter at the time of pricing, and may be at a discount to the current market price of our Common Shares. These estimates exclude the proceeds, if any, from the exercise of the Warrants in this offering. If all of the Warrants sold in this offering were to be exercised in cash at an assumed exercise price of \$ per Common Share, we would receive additional net proceeds of approximately \$ million. However, the Warrants contain a cashless exercise provision that permits exercise of the Warrants on a cashless basis (i) at any time when there is no effective registration statement under the U.S. Securities Act covering the issuance of the underlying Common Shares or (ii) on the expiration date of the Warrant. We cannot predict when or if the Warrants will be exercised or whether they will be exercised for cash. It is possible that the Warrants may be exercised solely on a cashless basis.

A \$0.25 increase or decrease in the assumed public offering price per Unit of \$1.38, the last reported sale price of our Common Shares on Nasdaq on October 8, 2018, would increase or decrease the net proceeds to us from this offering by \$2.0 million, assuming that the number of Units offered by us, as set forth on the cover page of this prospectus, remains the same, assuming no sale of any Pre-Funded Units, after deducting the estimated underwriter discounts and commissions and estimated offering expenses payable by us, and excluding the proceeds, if any, from the exercise of the Warrants issued pursuant to this offering.

Similarly, each increase or decrease of 500,000 Units offered by us would increase or decrease the net proceeds to us by approximately \$0.6 million, assuming the assumed public offering price per Unit of \$1.38 remains the same, assuming no sale of any Pre-Funded Units, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, and excluding the proceeds, if any, from the exercise of the Warrants issued pursuant to this offering.

EXPENSES OF THE OFFERING

The following is a statement of the expenses, other than any underwriting discounts and commission and expenses reimbursed by us, to be incurred in connection with a distribution of the securities registered under this registration statement.

U.S. SEC registration fee	\$ 5,143
Nasdaq and TSX listing expenses	21,153
FINRA filing fee	2,919
Printing expenses	4,500
Legal fees and expenses	375,000
Accountants' fees and expenses	75,000
Miscellaneous	6,463
Total	<u>\$ 490,178</u>

All amounts in the table are estimates except the U.S. Securities and Exchange Commission registration fee, the Nasdaq and TSX listing fees and the FINRA filing fee.

UNDERWRITING

We have entered into an underwriting agreement dated October 8, 2018, with H.C. Wainwright & Co., LLC (“H.C. Wainwright”) as the sole book-running manager of this offering. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriter and the underwriter has agreed to purchase from us the Units and any Pre-Funded Units, at the public offering prices less the underwriting discounts and commissions set forth on the cover page of this prospectus. The public offering prices shown on the cover page of this prospectus were determined by negotiation between us and the underwriter at the time of pricing, and may be at a discount to the current market price.

A copy of the underwriting agreement has been filed as an exhibit to the registration statement of which this prospectus is a part. The securities we are offering are being offered by the underwriter subject to certain conditions specified in the underwriting agreement.

We have been advised by the underwriter that it proposes to offer the Units and Pre-Funded Units directly to the public at the public offering prices set forth on the cover page of this prospectus. Any Units and Pre-Funded Units sold by the underwriter to securities dealers will be sold at the public offering prices less a selling concession not in excess of \$ per share.

The underwriting agreement provides that the underwriter’s obligation to purchase the securities we are offering is subject to conditions contained in the underwriting agreement. The underwriter is obligated to purchase and pay for all of the securities offered by this prospectus.

No action has been taken by us or the underwriter that would permit a public offering of our securities in any jurisdiction where action for that purpose is required. None of the securities included in this offering may be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sales of any of the securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons who receive this prospectus are advised to inform themselves about and to observe any restrictions relating to this offering of the securities and the distribution of this prospectus. This prospectus is neither an offer to sell nor a solicitation of any offer to buy the securities in any jurisdiction where that would not be permitted or legal.

The underwriter has advised us that it does not intend to confirm sales to any accounts over which it exercises discretionary authority.

Underwriting Discounts, Commissions and Expenses

We have agreed to pay an underwriter discount equal to 8% of the aggregate gross proceeds raised in this offering.

The following table shows the public offering price, underwriting discounts and commissions and proceeds, before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriter’s option to purchase additional securities.

			Total	
	Per Unit	Per Pre-Funded Unit	Without Option Exercise	With Full Option Exercise
Public offering price	\$	\$	\$	\$
Underwriting discounts and commissions	\$	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$	\$

We estimate the total expenses payable by us for this offering to be approximately \$1.7 million, which amount includes (i) an assumed underwriting discounts and commissions of \$1.0 million (\$1.1 million if the underwriter’s option to purchase additional securities is exercised in full) based upon the assumed public offering price per Unit of \$1.38 (the last reported sale price of our Common Shares on Nasdaq on October 8, 2018), (ii) an assumed management fee in the amount of \$120,000 which represents 1% of the assumed aggregate offering price, (iii) \$35,000 non-accountable expense allowance payable to the underwriter, (iv) reimbursement of the accountable expenses of the underwriter equal to \$100,000 (none of which has been paid in advance), including the legal fees of the underwriter being paid by us, and (v) other estimated expenses of approximately \$490,000 which include legal, accounting, printing costs and various fees associated with the registration and listing of our shares.

Underwriter Warrants

We have agreed to issue to the underwriter warrants to purchase a number of Common Shares equal to 6.0% of the aggregate number of shares of Common Shares (i) included within the units, (ii) issuable upon the exercise of the pre-funded warrants included within the pre-funded units sold in this offering and (iii) included in the option to purchase additional securities. The underwriter warrants will have a term of five years from the effective date of this prospectus and an exercise price per share equal to 125% of the public offering price for the shares sold in this offering. Pursuant to FINRA Rule 5110(g), the underwriter warrants and any shares issued upon exercise of the underwriter warrants shall not be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of this offering, except the transfer of any security: (i) by operation of law or by reason of our reorganization; (ii) to any FINRA member firm participating in the offering and the officers or partners thereof, if all securities so transferred remain subject to the lock-up restriction set forth above for the remainder of the time period; (iii) if the aggregate amount of our securities held by the underwriter or related persons do not exceed 1% of the securities being offered; (iv) that is beneficially owned on a pro rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund and the participating members in the aggregate do not own more than 10% of the equity in the fund; or (v) the exercise or conversion of any security, if all securities remain subject to the lock-up restriction set forth above for the remainder of the time period.

Right of First Refusal

We have also granted the underwriter, for a period of ten months from the closing date of this offering, a right of first refusal to act as sole book-running manager for each and every future public or private equity or debt offering by us or any of our successors or subsidiaries. We have also agreed to a tail fee equal to the cash and warrant compensation in this offering if any investor to which the underwriter introduced us with respect to this offering during the term of its engagement provides us with further capital in a public or private offering or capital raising transaction, with certain exceptions, during the 12 month period following termination of our engagement of the underwriter.

Option to Purchase Additional Securities

We have granted the underwriter the option to purchase up to 1,304,347 additional Common Shares at a purchase price of \$ per share and/or Warrants to purchase up to an aggregate of 1,304,347 Common Shares at a purchase price of \$ per Warrant with an exercise price of \$ per Common Share, less the underwriting discounts and commissions. The underwriter may exercise its option at any time and from time to time within 30 days from the date of this prospectus. If any additional Units are purchased pursuant to the option, the underwriter will offer these securities on the same terms as those on which the other Units are being offered hereby.

Listing

Our Common Shares are currently traded on the TSX and on Nasdaq under the symbol “IPCI.” See “Prospectus Summary-Recent Developments—Nasdaq Notices and Nasdaq Hearings Panel Grant of Request for Continued Listing” and “—Risk Factors--Our Common Shares will be delisted from the Nasdaq Capital Market if we do not satisfy certain requirements of the Nasdaq Hearing Panel by October 17, 2018” in this prospectus for important information about the listing of our Common Shares on Nasdaq. On October 8, 2018, the last reported sale price of the Common Shares was \$1.38 per share. We do not intend to apply for listing of the Pre-Funded Warrants or the Warrants on any securities exchange or other nationally recognized trading system. There is no established public trading market for the Pre-Funded Warrants or the Warrants, and we do not expect a market to develop.

Lock-up Agreements

We have agreed, subject to certain exceptions, not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any Common Shares or other securities convertible into or exercisable or exchangeable for Common Shares for a period of 90 days after the effective date of the registration statement of which this prospectus is a part without the prior written consent of H.C. Wainwright.

In addition, each of our officers and directors have agreed not to offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, or otherwise dispose of, directly or indirectly, any Common Shares or any securities convertible into, exercisable for, or exchangeable for Common Shares, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Shares for a period of 90 days after the effective date of the registration statement of which this prospectus is a part without the prior written consent of H.C. Wainwright.

H.C. Wainwright may in its sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the lock-up period. When determining whether or not to release shares from the lock-up agreements, H.C. Wainwright will consider, among other factors, the security holder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Stabilization, Short Positions and Penalty Bids

The underwriter may engage in syndicate covering transactions, stabilizing transactions and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of our Common Shares:

- Syndicate covering transactions involve purchases of securities in the open market after the distribution has been completed in order to cover syndicate short positions. Such a naked short position would be closed out by buying securities in the open market. A naked short position is more likely to be created if the underwriter is concerned that there could be downward pressure on the price of the securities in the open market after pricing that could adversely affect investors who purchase in the offering.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specific maximum.
- Penalty bids permit the underwriter to reclaim a selling concession from a syndicate member when the securities originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These syndicate covering transactions, stabilizing transactions and penalty bids may have the effect of raising or maintaining the market prices of our securities or preventing or retarding a decline in the market prices of our securities. As a result, the price of our securities may be higher than the price that might otherwise exist in the open market. Neither we nor the underwriter make any representation or prediction as to the effect that the transactions described above may have on the price of our securities. These transactions may be effected on Nasdaq, in the over-the-counter market or on any other trading market and, if commenced, may be discontinued at any time.

In connection with this offering, the underwriter also may engage in passive market-making transactions in our securities in accordance with Regulation M during a period before the commencement of offers or sales of our securities in this offering and extending through the completion of the distribution. In general, a passive market maker must display its bid at a price not in excess of the highest independent bid for that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specific purchase limits are exceeded. Passive market-making may stabilize the market price of the securities at a level above that which might otherwise prevail in the open market and, if commenced, may be discontinued at any time.

Neither we nor the underwriter make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the prices of our securities. In addition, neither we nor the underwriter make any representation that the underwriter will engage in these transactions or that any transactions, once commenced, will not be discontinued without notice.

Indemnification

The underwriting agreement provides that we will indemnify H.C. Wainwright against specified liabilities, including liabilities under the U.S. Securities Act. H.C. Wainwright may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the U.S. Securities Act, and any commissions received by it and any profit realized on the resale of the shares sold by it while acting as principal might be deemed to be underwriting discounts or commissions under the U.S. Securities Act. As an underwriter, H.C. Wainwright would be required to comply with the U.S. Securities Act and the U.S. Exchange Act, including without limitation, Rule 10b-5 and Regulation M under the U.S. Exchange Act. These rules and regulations may limit the timing of purchases and sales of Common Shares, overallotment purchase rights and warrants by H.C. Wainwright acting as principal. Under these rules and regulations, H.C. Wainwright:

- may not engage in any stabilization activity in connection with our shares; and
- may not bid for or purchase any of our shares or attempt to induce any person to purchase any of our shares, other than as permitted under the U.S. Exchange Act, until it has completed its participation in the distribution of shares in this offering.

Other Relationships

H.C. Wainwright and its respective affiliates have provided, and may in the future provide, various investment banking, financial advisory and other services to us and our affiliates for which services they have received, and may in the future receive, customary fees. In the course of their businesses, H.C. Wainwright and its affiliates may actively trade our securities or loans for their own account or for the accounts of customers, and, accordingly, H.C. Wainwright and its affiliates may at any time hold long or short positions in such securities or loans. H.C. Wainwright acted as our placement agent in connection with our registered direct offering and concurrent private placement we consummated in October 2017 and our two registered direct offerings and concurrent private placements we consummated in March 2018, for which it received compensation for each such offering. Except for services provided in connection with this offering, and except as set forth in this paragraph, H.C. Wainwright has not provided any investment banking or other financial services during the 180-day period preceding the date of this prospectus.

RELATED PARTY TRANSACTIONS

In January 2013, we completed the private placement financing of the 2013 Debenture. The 2013 Debenture bears interest at a rate of 12% per annum, payable monthly, is pre-payable at any time at our option, and is convertible at any time into Common Shares at a conversion price of \$30.00 per Common Share at the option of the holder. Drs. Isa and Amina Odidi, who are directors, executive officers and principal shareholders of our Company, provided us with the original \$1.5 million of the proceeds for the 2013 Debenture. In December 2016, a principal repayment of \$150,000 was made on the 2013 Debenture and the maturity date was extended until April 1, 2017. Effective September 28, 2017, the maturity date for the 2013 Debenture was further extended to October 1, 2018. Effective October 1, 2018, the maturity date for the 2013 Debenture was further extended to April 1, 2019. We currently expect to repay the current outstanding principal amount, on the 2013 Debenture, of \$1,350,000 on or about April 1, 2019, if we then have cash available.

To our knowledge, Armistice Capital Master Fund, Ltd. and/or its affiliates (collectively “Armistice”), currently a holder of in excess of 10% of our outstanding Common Shares, participated in (i) a registered direct offering in October 2017, pursuant to a placement agent agreement dated October 10, 2017 between the Company and H.C. Wainwright, and (ii) the registered direct offerings completed in March 2018, pursuant to placement agent agreements dated March 12, 2018 and March 18, 2018 between the Company and H.C. Wainwright.

On September 10, 2018 we completed the private placement financing of the 2018 Debenture. The 2018 Debenture bears interest at a rate of 10% per annum, payable monthly, may be prepaid at any time at our option, and is convertible into Common Shares at any time prior to the maturity date at a conversion price of \$3.00 per Common Share at the option of the holder. Drs. Isa and Amina Odidi, who are directors, executive officers and principal shareholders of our Company, provided us with the original \$500,000 of proceeds for the 2018 Debenture. The maturity date for the 2018 Debenture is September 1, 2020.

Since the beginning of our preceding three financial years to the date hereof, other than discussed above, there have been no transactions or proposed transactions which are material to us or to any of our associates, holders of 10% of the our outstanding shares, to our directors or officers or any transactions that are unusual in their nature or conditions to which we or any of our subsidiaries were a party.

Our Corporate Governance Committee, made up of independent directors, oversees any potential transaction and negotiation that could give rise to a related party transaction or create a conflict of interest, and conducts an appropriate review.

DESCRIPTION OF SHARE CAPITAL

Our authorized share capital consists of an unlimited number of Common Shares, all without nominal or par value and an unlimited number of Preference Shares issuable in series. As of October 8, 2018, there were 4,353,678 Common Shares and no Preference Shares issued and outstanding.

All historical references to Common Shares, warrants and options outstanding prior to September 12, 2018 and the related exercise prices and conversion prices in this prospectus have been adjusted to reflect the effect of the 1-for-10 reverse split effected in September 2018. The reverse split was intended to establish the basis for the shares to trade above US\$1.00, as per the minimum bid listing requirement of Nasdaq; however, no assurance can be given that we will be able to maintain compliance with Nasdaq’s listing requirements.

Common Shares

Each of our Common Shares entitles the holder thereof to one vote at any meeting of our shareholders, except meetings at which only holders of a specified class of shares are entitled to vote. Common Shares are entitled to receive, as and when declared by the Board of Directors, dividends in such amounts as shall be determined by the Board of Directors. Subject to the prior rights of the holders of any Preference Shares, the holders of Common Shares have the right to receive our remaining property in the event of our liquidation, dissolution, or winding-up, whether voluntary or involuntary.

Preference Shares

The Preference Shares may at any time and from time to time be issued in one or more series. The Board of Directors will, by resolution, from time to time, before the issue thereof, fix the rights, privileges, restrictions and conditions attaching to the Preference Shares of each series. Except as required by law, the holders of any series of Preference Shares will not as such be entitled to receive notice of, attend or vote at any meeting of our shareholders. Holders of Preference Shares will be entitled to preference with respect to payment of dividends and the distribution of assets in the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding up our affairs, on such shares over the Common Shares and over any other shares ranking junior to the Preference Shares.

Warrants

At October 8, 2018, an aggregate of 824,570 Common Shares were issuable upon the exercise of outstanding Common Share purchase warrants, with a weighted average exercise price of \$9.92 per Common Share.

Deferred Share Units

Effective May 28, 2010, our shareholders approved a Deferred Share Unit (“DSU”) Plan (the “DSU Plan”) and the reservation of 11,000 Common Shares for issuance thereunder for DSU grants to our non-management directors. The DSU Plan permits certain non-management directors to defer receipt of all or a portion of their Board fees until termination of the Board service and to receive such fees in the form of Common Shares at that time. A DSU is a unit equivalent in value to one of our Common Shares based on the trading price of our Common Shares on the TSX. The DSU Plan is administered by the Board or a committee thereof.

The key features of the DSU plan are as follows:

- Each participant may elect to be paid a minimum of 20% up to a maximum of 100%, in 10% increments, of Board fees in the form of DSUs in lieu of being paid such fees in cash. On the date on which Board fees are payable (on a quarterly basis), the number of DSUs to be credited to the participant is determined by dividing an amount equal to the designated percentage of the Board fees that the participant has elected to have credited in DSUs on that fee payment date, by the calculated market value of a Common Share on that fee payment date. The market value of a common share is the weighted average trading price of the Common Shares on any exchange where the Common Shares are listed (including the TSX) for the last five trading days prior to such day.
- A participant is permitted to redeem his/her DSUs only following termination of Board service by way of retirement, non-re-election as a director, resignation or death. Upon redemption of DSUs, the Company will issue to the participant Common Shares of the Company equal to the number of DSUs to be redeemed.
- A separate notional account is maintained for each participant under the DSU Plan. Each such account will be credited with DSUs issued to the participant from time to time by way of a bookkeeping entry in the books of the Company. The DSUs credited to the participant’s account will be cancelled as of the applicable redemption date and following redemption of all DSUs credited to the participant’s account, such participant’s account will be closed.
- No rights under the DSU Plan and no DSUs credited pursuant to the provisions of the DSU Plan are assignable or transferable by any participant other than pursuant to a will or by the laws of descent and distribution. Upon termination of Board service, the director will be able to redeem DSUs based upon the then market price of our Common Shares on the date of redemption in exchange for any combination of cash or Common Shares as the Board may determine.

At October 8, 2018, there were 10,279 DSUs issued and outstanding. At October 8, 2018, 721 DSUs are reserved for issuance under our DSU plan.

Restricted Share Units

The Company established the restricted share unit (“RSU”) Plan (the “RSU Plan”) and the reservation of 33,000 Common Shares of issuance thereunder to form part of its incentive compensation arrangements available for officers and employees of the Company and its designated affiliates as of May 28, 2010, when the RSU Plan received shareholder approval. Employees and officers, including both full-time and part-time employees of the Company and any designated affiliate of the Company are eligible to participate in the RSU Plan; however, directors of the Company who are not also serving as employees of officers of the Company may not participate in such plan. The RSU Plan is administered by the Board or a committee thereof, which will determine, from time to time, who may participate in the RSU Plan, the number of RSUs to be awarded and the terms of each RSU, all such determinations to be made in accordance with the terms and conditions of the RSU Plan, based on individual and/or corporate performance factors as determined by the Board.

The key features of the RSU Plan are as follows:

- At the time of the award of RSUs, the Board will determine in its sole discretion the vesting criteria (whether based on time or performance measures of individual and/or corporate performance) applicable to the awarded RSUs. Unless otherwise determined by the Board at the time of the award, RSUs will vest in respect of 33 1/3% of the Common Shares subject to the RSUs on the first day after each of the first three anniversaries of the award date of such RSU. Notwithstanding the foregoing, all vesting and issuances or payments, as applicable, will be completed no later than December 15 of the third calendar year commencing after an award date.
- The RSU Plan provides that any unvested RSUs will vest at such time as determined by the Board in its sole discretion such that participants in the RSU Plan will be able to participate in a change of control transaction, including by surrendering such RSUs to the Company or a third party or exchanging such RSUs, for consideration in the form of cash and/or securities.
- If an “event of termination” of employment has occurred, any and all Common Shares corresponding to any vested RSUs in a participant’s account, if any, will be issued as soon as practicable after the event of termination to the former participant. If an event of termination has occurred, any unvested RSUs in the participant’s account will, unless otherwise determined by the Board in its discretion, forthwith and automatically be forfeited by the participant and cancelled. Notwithstanding the foregoing, if a participant is terminated for just cause, each unvested RSU in the participant’s account will be forfeited by the participant and cancelled.
- No rights under the RSU Plan and no RSUs awarded pursuant to the provisions of the RSU Plan are assignable or transferable by any participant other than pursuant to a will or by the laws of descent and distribution.

Options

The option plan (the “Option Plan”) was adopted effective October 22, 2009 as part of the IPC Arrangement Agreement transaction approved by the shareholders of IPC Ltd., our predecessor company, at the meeting of shareholders on October 19, 2009. Subject to the requirements of the Option Plan, the Board, with the assistance of the Compensation Committee, has the authority to select those directors, officers, employees and consultants to whom options will be granted, the number of options to be granted to each person and the price at which Common Shares of the Company may be purchased. Grants are determined based on individual and aggregate performance as determined by the Board.

The key features of the Option Plan are as follows:

- The fixed maximum percentage of Common Shares issuable under the Option Plan is 10% of the issued and outstanding Common Shares from time to time. The Option Plan will automatically “reload” after the exercise of an option provided that the number of Common Shares issuable under the Option Plan does not then exceed the maximum percentage of 10%.
- There are no restrictions on the maximum number of options which may be granted to insiders of the Company other than not more than 1% of the total Common Shares outstanding on a non-diluted basis can be issued to non-executive directors of the Company pursuant to options granted under the Option Plan and the value of any options granted to any non-executive director of the Company, shall not, on an annual basis, exceed C\$100,000.

- The Board determines the exercise price of each option at the time the option is granted, provided that such price cannot be lower than the “market price” of Common Shares at the time the option is granted. “Market price” means the volume weighted average trading price of Common Shares on the TSX, or another stock exchange where the majority of the trading volume and value of Common Shares occurs, for the five trading days immediately preceding the relevant date, calculated in accordance with the rules of such stock exchange.
- Unless otherwise determined by the Board, each option becomes exercisable as to 33 1/3% on a cumulative basis, at the end of each of the first, second and third years following the date of grant.
- The period of time during which a particular option may be exercised is determined by the Board, subject to any employment contract or consulting contract, provided that no such option term shall exceed ten years.

As of October 8, 2018, there were 558,484 Common Shares issuable upon the exercise of outstanding options. The weighted average exercise price of these options is \$31.60 per Common Share. As at October 8, 2018, up to 153,277 additional Common Shares were reserved for issuance under our Option Plan.

2013 Convertible Debenture

On January 10, 2013, we completed a private placement financing of the 2013 Debenture in the original principal amount of \$1.5 million. The 2013 Debenture was originally due to mature on January 1, 2015, but through a series of extensions, the current maturity date is April 1, 2019. The 2013 Debenture bears interest at a rate of 12% per annum, payable monthly, is pre-payable at any time at our option, and is convertible at any time into Common Shares at a conversion price of \$30.00 per Common Share (post reverse-split) at the option of the holder. Drs. Isa and Amina Odidi, who are directors, executive officers and principal shareholders of our Company, provided us with the \$1.5 million of the proceeds for the 2013 Debenture. Effective December 1, 2016, the maturity date for the 2013 Debenture was extended to April 1, 2017 and a principal repayment of \$150,000 was made at the time of the extension. After giving effect to such partial repayment, the 2013 Debenture is now convertible at any time into 45,000 Common Shares at a conversion price of \$30.00 per Common Share at the option of the holder. We currently expect to repay the current net amount of \$1,350,000 on or about April 1, 2019, if we then have cash available.

2018 Convertible Debenture

On September 10, 2018 we completed the private placement financing of the 2018 Debenture in the principal amount of \$500,000. The 2018 Debenture matures on September 1, 2020. The 2018 Debenture bears interest at a rate of 10% per annum, payable monthly, is pre-payable at any time at our option, and is convertible into Common Shares at any time prior to the maturity date at a conversion price of \$3.00 per Common Share at the option of the holder. Drs. Isa and Amina Odidi, who are directors, executive officers and principal shareholders of our Company, provided us with the original \$500,000 of proceeds for the 2018 Debenture.

Registration Rights

We conducted a private placement of units comprised of Common Shares and warrants in February, 2011, which was exempt from registration under the U.S. Securities Act pursuant to Regulation D and Section 4(a)(2) and/or Regulation S thereof and other available exemptions. As such, the Common Shares, the warrants, and the Common Shares underlying the warrants may not be offered or sold in the United States unless they are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available.

In connection with the private placement, we agreed to file a registration statement on Form F-3, or the Registration Statement, within 40 days after the closing and use our best efforts to have it declared effective within 150 days after the closing to register (i) 100% of the Common Shares issued in the private placement; and (ii) 100% of the Common Shares underlying the investor warrants issued in the private placement, or the Registrable Securities.

The Registration Statement was declared effective as of March 30, 2011. If (i) the Registration Statement ceases to be continuously effective for more than twenty consecutive calendar days or more than an aggregate of thirty calendar days during any consecutive 12-month period, or (ii) at a time in which the Registrable Securities cannot be sold under the Registration Statement, we shall fail for any reason to satisfy the current public information requirement under Rule 144 as to the applicable Registrable Securities, we shall pay to the investors, on a pro rata basis, partial liquidated damages of 1% of the aggregate purchase price paid by each investor on the occurrence of an event listed above and for each calendar month (pro rata for any period less than a calendar month) from an event, until cured.

The securities shall cease to be Registrable Securities when (i) they have been sold (A) pursuant to a registration statement; or (B) in accordance with Rule 144 or any other rule of similar effect; or (ii) such securities become eligible for resale without volume or manner-of-sale restrictions, and when either we are compliant with any current public information requirements pursuant to Rule 144 or the current public information requirements no longer apply.

DESCRIPTION OF SECURITIES WE ARE OFFERING

We are offering (i) up to 8,695,652 Units, each Unit consisting of one Common Share and one Warrant to purchase one Common Share, or (ii) up to 8,695,652 Pre-Funded Units, each Pre-Funded Unit consisting of one Pre-Funded Warrant to purchase one Common Share and one Warrant to purchase one Common Share. For each Pre-Funded Unit we sell, the number of Units we are offering will be decreased on a one-for-one basis. The Common Share and accompanying Warrant included in each Unit will be issued separately, and the Pre-Funded Warrant to purchase one Common Share and the accompanying Warrant included in each Pre-Funded Unit will be issued separately. Units or Pre-Funded Units will not be issued or certificated. We are also registering the Common Shares included in the Units and the Common Shares issuable from time to time upon exercise of the Warrants and the Pre-Funded Warrants, the Warrants included in the Units and the Pre-Funded Units offered hereby and the Pre-Funded Warrants included in the Pre-Funded Units.

Common Shares

The material terms and provisions of our Common Shares and each other class of our securities which qualifies or limits Common Shares are described under the caption “Description of Share Capital” in this prospectus.

The Warrants

The following is a summary of all material terms and provisions of the Warrants that are being offered hereby; however, it is not a complete description of all terms and is subject to, and qualified in its entirety by, the provisions of the Warrant, the form of which has been filed as an exhibit to the registration statement of which this prospectus is a part. Prospective investors should carefully review the terms and provisions of the form of Warrant for a complete description of the terms and conditions of the Warrants.

Duration and Exercise Price

Each Warrant included in the Units and Pre-Funded Units offered hereby will have an initial exercise price equal to \$ per Common Share. The Warrants will be immediately exercisable and may be exercised until . The exercise price and number of Common Shares issuable upon exercise is subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting our Common Shares and the exercise price. The Warrants will be issued separately from the Common Shares or Pre-Funded Warrants sold as part of the Units or Pre-Funded Units, as the case may be, and may be transferred separately immediately thereafter. Warrants will be issued in certificated form only. A Warrant to purchase one Common Share will be included in each Unit or Pre-Funded Unit purchased in this offering.

Exercisability

The Warrants will be exercisable, at the option of each holder, in whole or in part, by delivering to us a duly executed exercise notice accompanied by payment in full for the number of Common Shares purchased upon such exercise (except in the case of a cashless exercise as discussed below). A holder (together with its affiliates) may not exercise any portion of the Warrant to the extent that the holder would own more than 4.99% of the outstanding Common Shares immediately after exercise, except that upon at least 61 days’ prior notice from the holder to us, the holder may increase the amount of ownership of outstanding Common Shares after exercising the holder’s Warrants up to 9.99% of the number of Common Shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Warrants.

Cashless Exercise

If at the time a holder exercises its Warrants, a registration statement registering the issuance of the Common Shares underlying the Warrants under the U.S. Securities Act is not then effective, or the prospectus contained therein is not available for an issuance of the Common Shares underlying the Warrants to the holder, then in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of Common Shares determined according to a formula set forth in the Warrant.

Fundamental Transactions

In the event of any fundamental transaction, as described in the Warrants and generally including any merger with or into another entity, sale of all or substantially all of our assets, tender offer or exchange offer, or reclassification of our Common Shares, then upon any subsequent exercise of a Warrant, the holder will have the right to receive as alternative consideration, for each Common Share that the holder would have received upon such holder's exercise of the Warrant immediately prior to the occurrence of such fundamental transaction, the number of common shares of the successor or acquiring corporation or of our Company, if it is the surviving corporation, and any additional consideration receivable upon or as a result of such transaction by a holder of the number of Common Shares for which the holder would have received upon such holder's exercise of the Warrant on the date of the consummation of such fundamental transaction.

Transferability

Subject to applicable laws, the Warrant may be transferred at the option of the holder upon surrender of the Warrant to us together with the appropriate instruments of transfer.

Fractional Shares

No fractional Common Shares will be issued upon the exercise of the Warrants. Rather, the number of Common Shares to be issued will be rounded up to the nearest whole number.

No Listing

There is no established trading market for the Warrants, and we do not expect an active trading market to develop. We do not intend to apply to list the Warrants on any securities exchange or other trading market. Without a trading market, the liquidity of the Warrants will be extremely limited.

Rights as a Shareholder

Except as otherwise provided in the Warrants or by virtue of the holder's ownership of Common Shares, such holder of Warrants does not have the rights or privileges of a holder of Common Shares, including any voting rights, until such holder exercises such holder's Warrants.

Waivers and Amendments

No term of the Warrants may be amended or waived without the written consent of the holder of such Warrant.

Pre-Funded Warrants

The following is a summary of all material terms and provisions of the Pre-Funded Warrants that are being offered hereby, is not complete and is subject to, and qualified in its entirety by, the provisions of the Pre-Funded Warrant, the form of which has been filed as an exhibit to the registration statement of which this prospectus is a part. Prospective investors should carefully review the terms and provisions of the form of Pre-Funded Warrant for a complete description of the terms and conditions of the Pre-Funded Warrants.

Any purchaser in this offering has the ability to purchase Pre-Funded Units (each Pre-Funded Unit consisting of one Pre-Funded Warrant to purchase one Common Share and one Warrant to purchase one Common Share) in lieu of Units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of our outstanding Common Shares (or, at the election of the purchaser, 9.99%). This is accomplished through purchasing Pre-Funded Warrants at a price equal to the purchase price for Units, less \$0.01, which \$0.01 is the exercise price for the Pre-Funded Warrants. Each Pre-Funded Warrant is exercisable for one Common Share as offered hereunder. Thus, the purchaser is paying substantially all of the purchase price for a Unit at closing of the offering but is not deemed to beneficially own the Common Shares included in the Units until the purchaser exercises the Pre-Funded Warrant. Once purchased, the purchase price of the Pre-Funded Warrants is not refundable. While the Pre-Funded Warrants permit waiver of provisions by us and the holder of the Pre-Funded Warrants, this would not affect the pre-funding as that is the purchase price of the instrument which is paid at the time of closing and becomes part of our proceeds received from this offering.

Duration and Exercise Price

Each Pre-Funded Warrant will have an initial exercise price per share equal to \$0.01. The Pre-Funded Warrants will be immediately exercisable and may be exercised at any time until the Pre-Funded Warrants are exercised in full. The exercise price and number of Common Shares issuable upon exercise are subject to appropriate adjustment in the event of stock dividends, stock splits, reorganizations or similar events affecting our Common Shares and the exercise price. The Pre-Funded Warrants will be issued separately from the accompanying Warrants included in the Pre-Funded Units and may be transferred separately immediately thereafter.

Exercisability

The Pre-Funded Warrants will be exercisable, at the option of each holder, in whole or in part, by delivering to us a duly executed exercise notice accompanied by payment in full for the number of Common Shares purchased upon such exercise (except in the case of a cashless exercise as discussed below). A holder (together with its affiliates) may not exercise any portion of the Pre-Funded Warrant to the extent that the holder would own more than 4.99% of the outstanding Common Shares immediately after exercise, except that upon at least 61 days' prior notice from the holder to us, the holder may increase the amount of ownership of outstanding Common Shares after exercising the holder's Pre-Funded Warrants up to 9.99% of the number of Common Shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Pre-Funded Warrants. Purchasers of Pre-Funded Units in this offering may also elect prior to the issuance of the Pre-Funded Warrants to have the initial exercise limitation set at 9.99% of our outstanding Common Shares.

Cashless Exercise

If at the time a holder exercises its Pre-Funded Warrants a registration statement registering the issuance of the Common Shares issuable upon exercise of the Pre-Funded Warrants under the U.S. Securities Act is not then effective, or the prospectus contained therein is not available for an issuance of the Common Shares underlying the Pre-Funded Warrants to the holder, then in lieu of making the cash payment otherwise contemplated to be made to us upon such exercise in payment of the aggregate exercise price, the holder may elect instead to exercise its Pre-Funded Warrants on a cashless basis and receive upon such exercise (either in whole or in part) the net number of Common Shares determined according to a formula set forth in the Pre-Funded Warrant.

Fundamental Transactions

In the event of any fundamental transaction, as described in the Pre-Funded Warrants and generally including any merger with or into another entity, sale of all or substantially all of our assets, tender offer or exchange offer, or reclassification of Common Shares, then upon any subsequent exercise of a Pre-Funded Warrant, the holder will have the right to receive as alternative consideration, for each Common Share that would have been issuable upon such exercise immediately prior to the occurrence of such fundamental transaction, the number of common shares of the successor or acquiring corporation or of our Company, if it is the surviving corporation, and any additional consideration receivable upon or as a result of such transaction by a holder of the number of Common Shares for which the Pre-Funded Warrant is exercisable immediately prior to such event.

Transferability

Subject to applicable laws, a Pre-Funded Warrant may be transferred at the option of the holder upon surrender of the Pre-Funded Warrant to us together with the appropriate instruments of transfer.

Fractional Shares

No fractional Common Shares will be issued upon the exercise of the Pre-Funded Warrants. Rather, the number of Common Shares to be issued will be rounded up to the nearest whole number.

Trading Market

There is no established trading market for the Pre-Funded Warrants on any securities exchange or nationally recognized trading system, and we do not expect an active trading market to develop. We do not intend to list the Pre-Funded Warrants on any securities exchange or other trading market. Without a trading market, the liquidity of the Pre-Funded Warrants will be extremely limited.

Rights as a Shareholder

Except as otherwise provided in the Pre-Funded Warrants or by virtue of the holder's ownership of Common Shares, such holder of Pre-Funded Warrants does not have the rights or privileges of a holder of Common Shares, including any voting rights, until such holder exercises such holder's Pre-Funded Warrants.

TRADING PRICE HISTORY

Our Common Shares are currently listed on the TSX and Nasdaq under the symbol "IPCI." Prior to March 20, 2017, our Common Shares traded on the TSX under the symbol "I"; effective that date, our TSX trading symbol was harmonized with our Nasdaq symbol. See "Prospectus Summary-Recent Developments—Nasdaq Notices and Nasdaq Hearings Panel Grant of Request for Continued Listing" and "—Risk Factors—Our Common Shares will be delisted from the Nasdaq Capital Market if we do not satisfy certain requirements of the Nasdaq Hearing Panel by October 17, 2018" in this prospectus for important information about the listing of our Common Shares on Nasdaq.

The following table indicates, for the relevant periods, the high and low prices of our common shares on Nasdaq and on the TSX:

	NASDAQ (U.S.\$)		TSX (C\$)	
	High	Low	High	Low
Annual				
2017	31.20	8.10	40.90	10.00
2016	33.50	14.10	45.00	17.80
2015	39.20	17.30	49.90	21.60
2014	51.80	19.40	57.70	21.40
2013	64.60	15.00	67.00	15.50
Quarterly				
2018				
Second quarter	6.70	3.20	9.00	4.10
First quarter	10.50	6.10	12.90	7.80
2017				
Fourth quarter	12.50	8.20	15.80	10.00
Third quarter	29.20	8.10	37.30	10.00
Second quarter	26.90	18.10	35.70	24.80
First quarter	31.20	21.10	40.90	27.80
2016				
Fourth quarter	33.50	16.90	45.00	22.10
Third quarter	20.60	14.10	26.10	17.80
Second quarter	24.20	15.30	32.20	20.00
First quarter	31.90	18.30	42.00	24.60
Most recent 6 months				
September 2018	4.20	2.33	5.60	2.94
August 2018	3.50	2.30	4.40	3.10
July 2018	5.40	3.10	7.20	4.10
June 2018	5.50	3.90	7.50	4.90
May 2018	4.50	3.20	5.80	4.10
April 2018	6.50	3.30	8.00	4.30

PRIOR SALES

During the 12 month period prior to the date of this prospectus, we have issued Common Shares, or securities convertible into Common Shares, as follows:

In November 2013, we entered into an equity distribution agreement with Roth, pursuant to which we originally could, from time to time, sell up to 530,548 of our Common Shares for up to an aggregate of \$16.8 million (or such lesser amount as may then be permitted under applicable exchange rules and securities laws and regulations) through at-the-market issuances on Nasdaq or otherwise. Under the equity distribution agreement, we may at our discretion, from time to time, offer and sell Common Shares through Roth or directly to Roth for resale to the extent permitted under Rule 415 under the U.S. Securities Act. Sales of Common Shares through Roth, if any, will be made at such time and at such price as are acceptable to us, from time to time, by means of ordinary brokers' transactions on Nasdaq or otherwise at market prices prevailing at the time of sale or as determined by us. We pay Roth a commission, or allow a discount, of 2.75% of the gross proceeds we receive from any sales of our Common Shares under the equity distribution agreement. We have also agreed to reimburse Roth for certain expenses relating to the at-the-market offering program. As of the date of this prospectus, we have issued and sold an aggregate of 474,035 Common Shares with an aggregate offering price of \$13,872,929. There have been no sales under the at-the-market program during the 12-month period prior to the date of this prospectus. The Common Shares were offered by us through prospectus supplements pursuant to our shelf registration statements on Form F-3 (Registration No. 333-218297, and prior thereto Registration Nos. 333-178190 and 333-196112) as previously filed and declared effective by the SEC and the base prospectuses contained therein.

Pursuant to a placement agent agreement dated October 10, 2017 between the Company and H.C. Wainwright, in October 2017, we completed a registered direct offering of 363,636 Common Shares at a price of \$11.00 per share (post reverse-split) for gross proceeds of approximately \$4 million. We also issued to the investors unregistered warrants to purchase an aggregate of 181,818 Common Shares at an initial exercise price of \$12.50 per share (post reverse-split). The warrants became exercisable six months following the October 13, 2017 closing date and will expire 30 months after the date they became exercisable. The Common Shares (but not the warrants or the Common Shares underlying the warrants) were offered by us through a prospectus supplement pursuant to our Shelf Registration Statement. The warrants described above were offered in a private placement under Section 4(a)(2) of the U.S. Securities Act, and Regulation D promulgated thereunder and, along with the Common Shares underlying the warrants, have not been registered under the U.S. Securities Act, or applicable state securities laws. We also issued to the placement agent 18,181 warrants to purchase Common Shares at an initial exercise price of \$13.75 per share (post reverse-split). The total net proceeds from the offering were \$3.5 million, after deducting offering expenses.

Pursuant to a placement agent agreement dated March 12, 2018 between the Company and H.C. Wainwright, on March 16, 2018, we completed a registered direct offering of 583,333 Common Shares at a price of \$6.00 per share (post reverse-split) for gross proceeds of approximately \$3.5 million. We also issued to the investors unregistered warrants to purchase an aggregate of 291,666 Common Shares at an initial exercise price of \$6.00 per share (post reverse-split). The warrants are exercisable six months following the March 16, 2018 closing date and will expire 30 months after the date they become exercisable. The Common Shares (but not the warrants or the Common Shares underlying the warrants) were offered by us through a prospectus supplement pursuant to our Shelf Registration Statement. The warrants described above were offered in a private placement under Section 4(a)(2) of the U.S. Securities Act, and Regulation D promulgated thereunder and, along with the Common Shares underlying the warrants, have not been registered under the U.S. Securities Act, or applicable state securities laws. We also issued to the placement agent 29,166 warrants to purchase Common Shares at an initial exercise price of \$7.50 per share (post reverse-split), paid \$245,000 in cash for placement agent fees and an aggregate of \$75,000 for certain expenses. The total net proceeds from the offering were approximately \$3 million, after deducting offering expenses.

Pursuant to a placement agent agreement dated March 18, 2018 between the Company and H.C. Wainwright, on March 21, 2018, we completed a registered direct offering of 300,000 Common Shares at a price of \$6.00 per share (post reverse-split) for gross proceeds of approximately \$1.8 million. We also issued to the investors unregistered warrants to purchase an aggregate of 150,000 Common Shares at an initial exercise price of \$6.00 per share (post reverse-split). The warrants are exercisable six months following the March 21, 2018 closing date and will expire 30 months after the date they become exercisable. The Common Shares (but not the warrants or the Common Shares underlying the warrants) were offered by us through a prospectus supplement pursuant to our Shelf Registration Statement. The warrants described above were offered in a private placement under Section 4(a)(2) of the U.S. Securities Act, and Regulation D promulgated thereunder and, along with the Common Shares underlying the warrants, have not been registered under the U.S. Securities Act, or applicable state securities laws. We also issued to the placement agent 15,000 warrants to purchase Common Shares at an initial exercise price of \$7.50 per share (post reverse-split), paid \$126,000 in cash for placement agent fees and an aggregate of \$45,000 for certain expenses. The total net proceeds from the offering were approximately \$1.6 million, after deducting offering expenses.

During the 12-month period prior to the date of this prospectus, no warrants to purchase Common Shares were exercised.

During the 12-month period prior to the date of this prospectus, 49,600 options were granted and no options were exercised.

During the 12-month period prior to the date of this prospectus, a total of 866 deferred share units were granted. For a description of our deferred share units see "Description of Share Capital--Deferred Share Units."

During the 12-month period prior to the date of this prospectus, no restricted share units were granted. For a description of our restricted share units see “Description of Share Capital--Restricted Share Units.”

On September 10, 2018, we completed the private placement financing of the 2018 Debenture.

DIVIDEND POLICY

We have not paid any cash dividends on our Common Shares and do not intend to pay cash dividends in the foreseeable future. We intend to retain future earnings, if any, for reinvestment in the development and expansion of our business. Dividend payments in the future may also be limited by loan agreements or covenants contained in other securities we may issue. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and depend on our financial condition, results of operations, capital and legal requirements and such other factors as our Board of Directors deems relevant.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following description is not intended to constitute a complete analysis of all tax consequences relating to our Common Shares, Pre-Funded Warrants and Warrants (sometimes referred to collectively or individually as our “securities”). You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

U.S. Federal Income Taxation

The following are the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our securities.

The discussion below of the U.S. federal income tax consequences to “U.S. Holders” will apply to a beneficial owner of our securities that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (i) a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust; or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

A beneficial owner of our securities that is described above is referred to herein as a “U.S. Holder.” If a beneficial owner of our securities is not described as a U.S. Holder and is not an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes, such owner will be considered a “Non-U.S. Holder.” The material U.S. federal income tax consequences of the acquisition, ownership and disposition of our securities applicable specifically to Non-U.S. Holders are described below under the heading “Non-U.S. Holders.”

This discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, Treasury regulations promulgated thereunder, published rulings and administrative guidance from the Internal Revenue Service (IRS), court decisions and the United States-Canada Income Tax Treaty, all as currently in effect. These authorities are subject to change or differing interpretations, possibly on a retroactive basis.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to any particular holder based on such holder’s individual circumstances. In particular, this discussion considers only holders that own and hold our securities as capital assets within the meaning of Section 1221 of the Code, and does not address the potential application of the alternative minimum tax or the U.S. federal income tax consequences to holders that are subject to special rules, including:

- financial institutions, financial services entities, or underwriters;
- broker-dealers, dealers or traders in securities;

- persons that are subject to the mark-to-market accounting rules under Section 475 of the Code;
- tax-exempt entities;
- qualified retirement plans, individual retirement accounts and other tax-deferred accounts;
- governments or agencies or instrumentalities thereof;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- certain expatriates or former long-term residents of the United States;
- persons that actually or constructively own (including by treating U.S. Holders of Warrants, Pre-Funded Warrants or other options to acquire our Common Shares as owning such Common Shares) 10% or more of the voting power or value of our Common Shares;
- persons that acquired our securities pursuant to an exercise of employee options, in connection with employee incentive plans or otherwise as compensation;
- persons that hold our securities as part of a straddle, constructive sale, hedging, conversion or other integrated transaction;
- persons whose functional currency is not the U.S. dollar;
- passive foreign investment companies; or
- controlled foreign corporations.

This discussion does not address any aspect of U.S. federal non-income tax laws, such as gift or estate tax laws, or state, local or non-U.S. tax laws or, except as discussed herein, any tax reporting obligations applicable to a holder of our securities. Additionally, this discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold our securities through such entities. If a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) is the beneficial owner of our securities, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. This discussion also assumes that any distribution made (or deemed made) to a holder in respect of our securities and any consideration received (or deemed received) by a holder in connection with the sale or other disposition of our securities will be in U.S. dollars. In addition, this discussion also assumes that we will be and have been treated as a foreign corporation for U.S. federal income tax purposes. Moreover, this discussion assumes that a holder will receive only Common Shares and will not be entitled to a fractional share upon the exercise of a Warrant or a Pre-Funded Warrant.

We have not sought, and will not seek, a ruling from the Internal Revenue Service (the “IRS”) or an opinion of counsel as to any U.S. federal income tax consequence described herein. The IRS may disagree with the description herein, and its determination may be upheld by a court. Moreover, there can be no assurance that future legislation, regulations, administrative rulings or court decisions will not adversely affect the accuracy of the statements in this discussion.

EACH HOLDER OF OUR SECURITIES IS URGED TO CONSULT ITS OWN TAX ADVISOR WITH RESPECT TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR SECURITIES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, AND NON-U.S. TAX LAWS, AS WELL AS U.S. FEDERAL TAX LAWS AND ANY APPLICABLE TAX TREATIES.

Tax Characterization of Pre-Funded Warrants

Although the appropriate characterization of pre-funded warrants under the tax law is unsettled, it is likely that the Pre-Funded Warrants will be treated as Common Shares for U.S. federal income tax purposes. However, it is possible that the IRS could treat the Pre-Funded Warrants as warrants to acquire our Common Shares. Any person that elects to receive Pre-Funded Units in lieu of the Units in this offering should consult their own tax advisor regarding the application of the U.S. federal income tax laws to their particular situation.

Allocation of Purchase Price and Characterization of Units

Each Unit and Pre-Funded Unit should be treated for U.S. federal income tax purposes as an investment unit consisting of one Common Share (or Pre-Funded Warrant, as the case may be), and one Warrant to purchase one Common Share. For U.S. federal income tax purposes, each holder must allocate the purchase price of a Unit or Pre-Funded Unit between that Common Share (or Pre-Funded Warrant, as applicable), and one Warrant based on the relative fair market value of each at the time of issuance. The purchase price allocated to each Common Share, Pre-Funded Warrant and Warrant generally will be the holder's tax basis in such security, as the case may be. The tax basis for each Pre-Funded Warrant that is treated as a Common Share should include both the portion of the Pre-Funded Warrant purchase price allocated to such Pre-Funded Warrant and, once such Pre-Funded Warrant is exercised, the exercise price therefor.

U.S. Holders

Taxation of Cash Distributions

Subject to the passive foreign investment company, or PFIC, rules discussed below, a U.S. Holder generally will be required to include in gross income as ordinary income the amount of any cash dividend paid in respect of our Common Shares. A cash distribution on our Common Shares generally will be treated as a dividend for U.S. federal income tax purposes to the extent the distribution is paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). The portion of such cash distribution, if any, in excess of such earnings and profits will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in the Common Shares. Any remaining excess generally will be treated as gain from the sale or other taxable disposition of such Common Shares.

The amount of any distribution, and thus potentially of any dividend, will include any amounts withheld by us in respect of Canadian taxes. The U.S. dollar amount of any dividend will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend. The amount of any dividend income paid in Canadian dollars will be the U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Dividends paid to a U.S. Holder with respect to our Common Shares generally will be foreign source income, which may be relevant in calculating such U.S. Holder's foreign tax credit limitations. Subject to applicable limitations, some of which vary depending upon the U.S. Holder's circumstances, Canadian income taxes withheld from dividends on Common Shares at a rate not exceeding the rate provided by the United States-Canada Income Tax Treaty may be creditable against the U.S. Holder's U.S. federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends that we distribute generally should constitute "passive category income," or, in the case of certain U.S. Holders, "general category income." A foreign tax credit for foreign taxes imposed on distributions may be denied if a U.S. Holder does not satisfy certain minimum holding period requirements. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a foreign tax credit, U.S. Holders may, at their election, deduct foreign taxes, including any Canadian withholding tax imposed on distributions, in computing their taxable income, subject to generally applicable limitations under U.S. law. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year.

With respect to non-corporate U.S. Holders, any such cash dividends may be subject to U.S. federal income tax at the lower applicable regular long term capital gains tax rate (see "- Taxation on the Disposition of Common Shares, Warrants or Pre-Funded Warrants" below) provided that (a) our Common Shares are readily tradable on an established securities market in the United States or we are otherwise eligible for the benefits of the United States-Canada Income Tax Treaty, (b) we are not a PFIC, as discussed below, for either the taxable year in which the dividend was paid or the preceding taxable year, and (c) certain holding period requirements are met. On the other hand, if our Common Shares are not readily tradable on an established securities market, and we are not otherwise eligible for the benefits of the United States-Canada Income Tax Treaty, then cash dividends paid by us to non-corporate U.S. Holders with respect to such Common Shares will be subject to U.S. federal income tax at ordinary income tax rates, and not the lower regular long term capital gains tax rate. Under published IRS authority, shares are considered for purposes of clause (a) above to be readily tradable on an established securities market in the United States only if they are listed on certain exchanges, which presently include Nasdaq. Although our Common Shares are currently listed and traded on Nasdaq, there is no assurance that they will continue to be so listed. See "Prospectus Summary-Recent Developments—Nasdaq Notices and Nasdaq Hearings Panel Grant of Request for Continued Listing" and "Risk Factors--Our Common Shares will be delisted from the Nasdaq Capital Market if we do not satisfy certain requirements of the Nasdaq Hearing Panel by October 17, 2018" in this prospectus for important information about the listing of our Common Shares on Nasdaq. U.S. Holders should consult their own tax advisors regarding the availability of the lower rate for any cash dividends paid with respect to our Common Shares.

Adjustments with Respect to Warrants

The terms of the Warrants and Pre-Funded Warrants provide for an adjustment to the number of Common Shares for which the warrant may be exercised or to the exercise price of the warrant in certain events. An adjustment that has the effect of preventing dilution generally is not taxable. However, the U.S. Holders of the Warrants or Pre-Funded Warrants would be treated as receiving a constructive distribution from us if, for example, the adjustment increases the warrant holders' proportionate interest in our assets or earnings and profits (e.g., through a decrease in the exercise price of the Warrants or Pre-Funded Warrants) as a result of a distribution of cash to the holders of our Common Shares, which is taxable to the U.S. Holders of such Common Shares as described under "Taxation of Cash Distributions," above. Such constructive distribution would be subject to tax as described under that section in the same manner as if the U.S. Holders of the Warrants or Pre-Funded Warrants received a cash distribution from us equal to the fair market value of such increased interest.

Taxation on the Disposition of Common Shares, Warrants or Pre-Funded Warrants

Upon a sale or other taxable disposition of our Common Shares, Warrants or Pre-Funded Warrants, and subject to the PFIC rules discussed below, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in the securities.

The regular U.S. federal income tax rate on capital gains recognized by U.S. Holders generally is the same as the regular U.S. federal income tax rate on ordinary income, except that long term capital gains recognized by non-corporate U.S. Holders generally are subject to U.S. federal income tax at a maximum regular rate of 20%. Capital gain or loss will constitute long term capital gain or loss if the U.S. Holder's holding period for the securities exceeds one year. The deductibility of capital losses is subject to various limitations. Any such gain or loss that a U.S. Holder recognizes generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Additional Taxes

U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally may be subject to a 3.8% Medicare contribution tax on unearned income, including, without limitation, dividends on, and gains from the sale or other taxable disposition of, our Common Shares, Warrants or Pre-Funded Warrants, subject to certain limitations and exceptions. U.S. Holders should consult their own tax advisors regarding the effect, if any, of such tax on their ownership and disposition of our Common Shares, Warrants or Pre-Funded Warrants.

Exercise or Lapse of a Warrant

Subject to the PFIC rules discussed below, a U.S. Holder generally will not recognize gain or loss upon the exercise of a Warrant or Pre-Funded Warrant for cash. A Common Share acquired pursuant to the exercise of a Warrant or Pre-Funded Warrant for cash generally will have a tax basis equal to the U.S. Holder's tax basis in the Warrant or Pre-Funded Warrant, increased by the amount paid to exercise the Warrant or Pre-Funded Warrant. The holding period of such Common Share generally would begin on the day after the date of exercise of the Warrant. If a Warrant is allowed to lapse unexercised, a U.S. Holder generally will recognize a capital loss equal to such holder's tax basis in the Warrant.

The tax consequences of a cashless exercise of Warrants are unclear. A cashless exercise may be tax-free, either because it is a nonrealization event (i.e., not a transaction in which gain or loss is realized) or because the transaction is treated as a recapitalization for U.S. federal income tax purposes. In either tax-free situation, a U.S. Holder's tax basis in the Common Shares received would equal the U.S. Holder's basis in the Warrants surrendered. If the cashless exercise were treated as not being a realization event, the U.S. Holder's holding period in the Common Shares could be treated as commencing on the date following the date of exercise of the Warrants. If the cashless exercise were treated as a recapitalization, the holding period of the Common Shares received would include the holding period of the Warrants.

It is also possible that a cashless exercise could be treated as a taxable exchange in which gain or loss is recognized. In such event, a U.S. Holder could be deemed to have surrendered a number of Warrants with a fair market value equal to the exercise price for the number of Warrants deemed exercised. For this purpose, the number of Warrants deemed exercised would be equal to the amount needed to receive on exercise the number of Common Shares issued pursuant to the cashless exercise of the Warrants. In this situation, the U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the fair market value of the Warrants deemed surrendered to pay the exercise price and the U.S. Holder's tax basis in such Warrants deemed surrendered. Such gain or loss would be long-term or short-term depending on the U.S. Holder's holding period in the Warrants. In this case, a U.S. Holder's tax basis in the Common Shares received would equal the sum of the fair market value of the Warrants deemed surrendered to pay the exercise price and the U.S. Holder's tax basis in the Warrants deemed exercised, and a U.S. Holder's holding period for the Common Shares should commence on the date following the date of exercise of the Warrants. There also may be alternative characterizations of any such taxable exchange that would result in similar tax consequences, except that a U.S. Holder's gain or loss would be short-term.

Due to the absence of authority on the U.S. federal income tax treatment of a cashless exercise of the Warrants, it is unclear which, if any, of the alternative tax consequences and holding periods described above would be adopted by the IRS or a court of law. Accordingly, U.S. Holders should consult their tax advisors regarding the tax consequences of a cashless exercise of Warrants or Pre-Funded Warrants.

Passive Foreign Investment Company Rules

A foreign (i.e., non-U.S.) corporation is classified as a PFIC for a given taxable year if, during that year, either (a) at least 75% of its gross income, including its pro rata share of the gross income of any corporation in which it is considered to own at least 25% of the shares by value, is passive income, or (b) at least 50% of its assets, ordinarily determined based on fair market value and averaged quarterly over the year, including its pro rata share of the assets of any corporation in which it is considered to own at least 25% of the shares by value, are held for the production of, or produce, passive income. Passive income generally includes dividends, interest, rents and royalties (other than certain rents or royalties derived from the active conduct of a trade or business), and gains from the disposition of passive assets.

We believe that we were not a PFIC during our 2017 taxable year and are unlikely to be a PFIC during our 2018 taxable year. However, our actual PFIC status for our current taxable year (2018) or any subsequent taxable year is uncertain and will not be determinable until after the end of such taxable year. Accordingly, there can be no assurance with respect to our status as a PFIC for our current taxable year or any subsequent taxable year.

The “No election” Alternative – Taxation of Excess Distributions

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder of our Common Shares, Warrants or Pre-Funded Warrants, and, in the case of our Common Shares (and Pre-Funded Warrants treated as Common Shares), the U.S. Holder did not make a timely QEF election for our first taxable year as a PFIC in which the U.S. Holder held (or was deemed to hold) the Common Shares (or Pre-Funded Warrants treated as Common Shares), a purging election, a QEF election along with a purging election, or a mark-to-market election, each as described below, such holder generally will be subject to special rules for regular U.S. federal income tax purposes with respect to:

- any gain recognized by the U.S. Holder on the sale or other disposition of its Common Shares, Warrants or Pre-Funded Warrants; and
- any “excess distribution” made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the Common Shares during the three preceding taxable years of such U.S. Holder or, if shorter, such U.S. Holder's holding period for the Common Shares).
- Under these rules, the U.S. Holder's gain or excess distribution will be allocated ratably over the U.S. Holder's holding period for the Common Shares, Warrants or Pre-Funded Warrants;
- the amount of gain allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution or to the period in the U.S. Holder's holding period before the first day of our first taxable year in which we qualified as a PFIC will be taxed as ordinary income in the year the gain is recognized or the excess distribution is received;
- the amount allocated to each other taxable year (or portion thereof) of the U.S. Holder that is included in its holding period will be taxed at the highest ordinary tax rate in effect for that year that is applicable to the U.S. Holder; and

- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such other taxable year of the U.S. Holder.

Although a determination as to our PFIC status is made annually, an initial determination that we are a PFIC generally will apply for subsequent years to a U.S. Holder that held (or was deemed to hold) our Common Shares, Warrants or Pre-Funded Warrants while we were a PFIC, whether or not we meet the test for PFIC status in those subsequent years. If we are determined to be a PFIC in any taxable year, and then cease to meet the test for PFIC status in a subsequent taxable year, a U.S. Holder may be able to make a purging election to eliminate this continuing PFIC status with respect to its Common Shares in certain circumstances. A purging election generally creates a deemed sale of such Common Shares (and Pre-Funded Warrants treated as Common Shares) at their fair market value on the last day of our tax year during which we qualified as a PFIC (or, in the case of a purging election made in connection with a QEF election, the first day of our taxable year in which we qualify as a QEF with respect to such U.S. Holder). Any gain recognized by the purging election generally will be treated as an excess distribution subject to the special tax and interest charge rules described above. As a result of the purging election, the U.S. Holder generally will increase the adjusted basis in its Common Shares (and Pre-Funded Warrants treated as Common Shares) by the amount of gain recognized and will also have a new holding period in its Common Shares (and Pre-Funded Warrants treated as Common Shares) for purposes of the PFIC rules.

The QEF Election Alternative

In general, if we are determined to be a PFIC, a U.S. Holder may avoid the PFIC tax consequences described above with respect to the Common Shares (and Pre-Funded Warrants treated as Common Shares) by making a timely QEF election (or a QEF election along with a purging election). Pursuant to the QEF election, a U.S. Holder generally will be required to include in income its pro rata share of our net capital gains (as long term capital gain) and other earnings and profits (as ordinary income), on a current basis, in each case whether or not distributed, in the taxable year of the U.S. Holder in which or with which our taxable year ends if we are treated as a PFIC for that taxable year. However, a U.S. Holder may make a QEF election only if we agree to provide certain tax information to such holder annually. At this time, we do not intend to provide U.S. Holders with such information as may be required to make a QEF election effective.

A U.S. Holder may not make a QEF election with respect to its Warrants to acquire our Common Shares. As a result, if a U.S. Holder sells or otherwise disposes of such Warrants (other than upon exercise thereof), any gain recognized generally will be subject to the special tax and interest charge rules treating the gain as an excess distribution, as described above, if we were a PFIC at any time during the period the U.S. Holder held the Warrants. If a U.S. Holder that exercises such Warrants properly makes a QEF election with respect to the newly acquired Common Shares (or has previously made a QEF election with respect to our Common Shares), the QEF election will apply to the newly acquired Common Shares, but the adverse tax consequences attributable to the period prior to exercise of the Warrants, adjusted to take into account the current income inclusions resulting from the QEF election, will continue to apply with respect to such newly acquired Common Shares (which generally will be deemed to have a holding period for purposes of the PFIC rules that includes the period the U.S. Holder held the Warrants), unless the U.S. Holder makes a purging election under the PFIC rules. The purging election creates a deemed sale of such Common Shares at their fair market value. The gain recognized by the purging election will be subject to the special tax and interest charge rules treating the gain as an excess distribution, as described above. As a result of the purging election, the U.S. Holder will have a new basis and holding period in the Common Shares acquired upon the exercise of the Warrants for purposes of the PFIC rules.

Mark-to-Market Election Alternative

Alternatively, if a U.S. Holder, at the close of its taxable year while we are considered a PFIC, owns Common Shares (or Pre-Funded Warrants treated as Common Shares) in a PFIC that are treated as marketable stock, the U.S. Holder may make a mark-to-market election with respect to such Common Shares for such taxable year. If the U.S. Holder makes a valid mark-to-market election for the first taxable year of the U.S. Holder in which the U.S. Holder holds (or is deemed to hold) the Common Shares and for which we are determined to be a PFIC, such holder generally will not be subject to the PFIC rules described above with respect to its Common Shares as long as such shares continue to be treated as marketable stock. Instead, in general, the U.S. Holder will include as ordinary income for each year that we are treated as a PFIC the excess, if any, of the fair market value of its Common Shares at the end of its taxable year over the adjusted tax basis in its Common Shares. The U.S. Holder also will be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted tax basis of its Common Shares over the fair market value of its Common Shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's adjusted tax basis in its Common Shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of the Common Shares in a taxable year in which we are treated as a PFIC generally will be treated as ordinary income. Special tax rules may also apply if a U.S. Holder makes a mark-to-market election for a taxable year after the first taxable year in which the U.S. Holder holds (or is deemed to hold) our Common Shares and for which we are determined to be a PFIC. Currently, a mark-to-market election may not be made with respect to warrants.

The mark-to-market election is available only for stock that is regularly traded on a national securities exchange that is registered with the U.S. Securities and Exchange Commission, including Nasdaq, or on a foreign exchange or market that is regulated or supervised by a governmental authority of the country in which the exchange or market is located and which (A) meets certain requirements, that are enforced by law, relating to trading volume, listing, financial disclosure, surveillance and other requirements that are designed to (i) prevent fraudulent and manipulative acts and practices, (ii) remove impediments to and perfect the mechanism of a free and open, fair and orderly, market and (iii) protect investors and (B) has rules that effectively promote the active trading of listed stock. Although our Common Shares are currently listed and traded on Nasdaq, there is no assurance that they will continue to be so listed. See “Prospectus Summary-Recent Developments—Nasdaq Notices and Nasdaq Hearings Panel Grant of Request for Continued Listing” and “Risk Factors—Our Common Shares will be delisted from the Nasdaq Capital Market if we do not satisfy certain requirements of the Nasdaq Hearing Panel by October 17, 2018” in this prospectus for important information about the listing of our Common Shares on Nasdaq. U.S. Holders should consult their own tax advisors regarding the availability and tax consequences of a mark-to-market election with respect to our Common Shares under their particular circumstances. It appears that, until regulations are issued permitting such an election, U.S. Holders of Warrants will not be able to make a mark-to-market election with respect to such Warrants.

If we are a PFIC and, at any time, have a foreign subsidiary that is classified as a PFIC, a U.S. Holder of our securities may be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we receive a distribution from, or dispose of all or part of our interest in, or the U.S. Holder were otherwise deemed to have disposed of an interest in, the lower-tier PFIC. A mark-to-market election generally would not be available with respect to such a lower-tier PFIC. U.S. Holders are urged to consult their own tax advisors regarding the tax issues raised by lower-tier PFICs.

A U.S. Holder that owns (or is deemed to own) Common Shares in a PFIC during any taxable year of the U.S. Holder may have to file an IRS Form 8621 (whether or not a mark-to-market election is or has been made) with such U.S. Holder’s U.S. federal income tax return and provide such other information as may be required by the U.S. Treasury Department.

The rules dealing with PFICs and purging and mark-to-market elections are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders of our securities should consult their own tax advisors concerning the application of the PFIC rules to our securities under their particular circumstances.

Non-U.S. Holders

Cash dividends paid or deemed paid to a Non-U.S. Holder with respect to our Common Shares generally will not be subject to U.S. federal income tax unless such dividends are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States).

In addition, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain attributable to a sale or other taxable disposition of our securities unless such gain is effectively connected with its conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States) or the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of such sale or other disposition and certain other conditions are met (in which case, such gain from U.S. sources generally is subject to U.S. federal income tax at a 30% rate or a lower applicable tax treaty rate).

Dividends and gains that are effectively connected with the Non-U.S. Holder’s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States) generally will be subject to regular U.S. federal income tax at the same regular U.S. federal income tax rates as applicable to a comparable U.S. Holder and, in the case of a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes, may also be subject to an additional branch profits tax at a 30% rate or a lower applicable tax treaty rate.

Backup Withholding and Information Reporting

In general, information reporting for U.S. federal income tax purposes should apply to distributions made on our securities within the United States to a U.S. Holder (other than an exempt recipient) and to the proceeds from sales and other dispositions of our securities by a U.S. Holder (other than an exempt recipient) to or through a U.S. office of a broker. Payments made (and sales and other dispositions effected at an office) outside the United States will be subject to information reporting in limited circumstances. In addition, certain information concerning a U.S. Holder’s adjusted tax basis in securities it owns and adjustments to that tax basis and whether any gain or loss with respect to such securities is long term or short term also may be required to be reported to the IRS.

In addition, U.S. federal income tax information reporting rules generally require certain individuals who are U.S. Holders to file Form 8938 to report the ownership of specified foreign financial assets if the total value of those assets exceeds an applicable threshold amount (subject to certain exceptions). For these purposes, a specified foreign financial asset includes not only a financial account (as defined for these purposes) maintained by a foreign financial institution, but also any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity, provided that the asset is not held in an account maintained by a financial institution. The minimum applicable threshold amount is generally U.S. \$50,000 in the aggregate, but this threshold amount varies depending on whether the individual lives in the U.S., is married, files a joint income tax return with his or her spouse, and on certain other factors. Certain domestic entities that are U.S. Holders may also be required to file Form 8938 if both (i) such entities are owned at least 80% by an individual who is a U.S. citizen or U.S. tax resident (or in some cases, by a nonresident alien who meets certain criteria) or are trusts with beneficiaries that are such individuals and (ii) more than 50% of their income consists of certain passive income or more than 50% of their assets is held for the production of such income. U.S. Holders are urged to consult with their tax advisors regarding their reporting obligations, including the requirement to file IRS Form 8938.

Moreover, backup withholding of U.S. federal income tax, currently at a rate of 24%, generally will apply to dividends paid on our securities to a U.S. Holder (other than an exempt recipient) and the proceeds from sales and other dispositions of our securities by a U.S. Holder (other than an exempt recipient), in each case who:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that backup withholding is required; or
- in certain circumstances, fails to comply with applicable certification requirements.

A Non-U.S. Holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status, under penalties of perjury, on a duly executed applicable IRS Form W-8 or by otherwise establishing an exemption.

Backup withholding is not an additional tax. Rather, the amount of any backup withholding will be allowed as a credit against a U.S. Holder's or a Non-U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

Holders are urged to consult their own tax advisors regarding the application of backup withholding and the availability of and procedures for obtaining an exemption from backup withholding in their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Units or Pre-Funded Units of the Company pursuant to this prospectus supplement who, for purposes of the Income Tax Act (Canada) (the "Canadian Tax Act") and at all relevant times, is not resident in Canada nor deemed to be resident in Canada, deals at arm's length and is not affiliated with the Company, holds the Warrants, Pre-Funded Warrants and the Common Shares as capital property, and does not use or hold and is not deemed to use or hold the Warrants, Pre-Funded Warrants or Common Shares in or in the course of carrying on business in Canada (a "Non-resident Holder"). Special rules which are not discussed in this summary may apply to a Non-resident Holder that is a financial institution, as defined in the Canadian Tax Act, or an insurer carrying on business in Canada and elsewhere.

This summary is based upon the current provisions of the Canadian Tax Act and the Canada- U.S. Tax Convention (1980) (the "Treaty") both as in force as of the date hereof and counsel's understanding of the current administrative policies and assessing practices published in writing by the Canada Revenue Agency (the "CRA"). This summary takes into account all specific proposals to amend the Canadian Tax Act and the Treaty publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all.

This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign (including U.S.) income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to a Non-resident Holder in respect of the securities described herein. The income or other tax consequences will vary depending on the particular circumstances of the Non-resident Holder.

This summary is of a general nature only and is not intended to be, and should not be interpreted as, legal or tax advice to any prospective purchaser or holder of the Units or the Pre-Funded Units and no representation with respect to the Canadian federal income tax consequences to any such prospective purchaser is made. Accordingly, prospective purchasers and holders of the Units or Pre-Funded Units should consult their own tax advisors with respect to their particular circumstances.

Exercise of Warrants or Pre-Funded Warrants

No gain or loss will be realized by a Non-resident Holder on the exercise of a Warrant or a Pre-Funded Warrant. When a Warrant or a Pre-Funded Warrant is exercised, the Non-resident Holder's cost of the Common Share acquired thereby will be the aggregate of the Non-resident Holder's adjusted cost base of such Warrant or Pre-Funded Warrant, respectively, and the exercise price, if any, paid for the Common Share upon exercise of the Warrant or Pre-Funded Warrant, as the case may be. The Non-resident Holder's adjusted cost base of the Common Share so acquired will be determined by averaging such cost with the adjusted cost base to the Non-resident Holder of all Common Shares held by the Non-resident Holder as capital property immediately prior to such acquisition.

Dividends on Common Shares

Generally, dividends paid or credited by Canadian corporations to non-resident shareholders are subject to a withholding tax of 25% of the gross amount of such dividends. Such withholding tax rate may be reduced by an applicable tax treaty entered into by Canada and a Non-resident Holder's country of residence. For example, where applicable, under the Treaty, the withholding tax rate on the gross amount of dividends paid or credited to a Non-resident Holder who is eligible for benefits under such treaty, is reduced to 15% or, in the case of an eligible Non-resident Holder that is a U.S. company that beneficially owns at least 10% of the voting stock of the Canadian corporation paying the dividends, to 5% of the gross amount of such dividends.

Disposition of the Warrants, Pre-Funded Warrants and Common Shares

In general, a Non-resident Holder will not be subject to Canadian income tax on capital gains arising on the disposition or deemed disposition of the Warrants, Pre-Funded Warrants or Common Shares, unless such Warrants, Pre-Funded Warrants or Common Shares are "taxable Canadian property" within the meaning of the Canadian Tax Act. Generally, Warrants, Pre-Funded Warrants or Common Shares acquired pursuant to this offering will not be "taxable Canadian property" to a Non-resident Holder if the Common Shares are listed at that time on a designated stock exchange for purposes of the Canadian Tax Act (which includes the TSX and Nasdaq) unless, at any particular time during the 60 month period immediately preceding the disposition (i) 25% or more of the issued shares of any class or series of the capital stock of the Company were owned by: (a) such Non-resident Holder, (b) persons with whom the Non-resident Holder did not deal at arm's length, (c) a partnership in which the Non-resident Holder, or persons with whom the Non-resident Holder did not deal at arm's length, holds a membership interest directly or indirectly through one or more partnerships, or (d) any combination thereof, and (ii) the shares derived more than 50% of their fair market value directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property", "timber resource property" (each as defined under the Canadian Tax Act), or options in respect of, or interests in, or for civil law rights in such properties, whether or not such property exists.

Although no assurance can be given in this regard, the value of the Company's Common Shares is not now, and is not expected to be in the future, derived more than 50% from any of these properties. Consequently, any gain realized by a Non-resident Holder upon the disposition of the Warrants, Pre-Funded Warrants or Common Shares should be exempt from tax under the Canadian Tax Act.

EXPERTS

The consolidated financial statements for the years ended November 30, 2017 and 2016 incorporated by reference in this prospectus from our Annual Report on Form 20-F for the year ended November 30, 2017, have been audited by MNP LLP, an independent registered public accounting firm located at 111 Richmond Street West, Suite 300, Toronto, ON M5H 2G4, as stated in their report incorporated herein by reference (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the conditions and events that raise substantial doubt on the Company's ability to continue as a going concern). Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements for the year ended November 30, 2015 incorporated in this prospectus by reference from our Annual Report on Form 20-F for the year ended November 30, 2017, have been audited by Deloitte LLP, an independent registered public accounting firm, as stated in their report (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the conditions and events that raise substantial doubt about the Company's ability to continue as a going concern), which is incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

LEGAL PROCEEDINGS

From time to time, we may be exposed to claims and legal actions in the normal course of business. As of the date of this prospectus, we are not aware of any pending or threatened material litigation claims against us, other than as described below.

In November 2016, we filed an NDA for our Oxycodone ER product candidate, relying on the 505(b)(2) regulatory pathway, which allowed us to reference data from Purdue Pharma L.P.'s file for its OxyContin® extended-release oxycodone hydrochloride. Our Oxycodone ER application was accepted by the FDA for further review in February 2017. We certified to the FDA that we believed that our Oxycodone ER product candidate would not infringe any of the OxyContin® patents listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the "Orange Book", or that such patents are invalid, and so notified Purdue Pharma L.P. and the other owners of the subject patents listed in the Orange Book of such certification. On April 7, 2017, we received notice that Purdue Pharma L.P., Purdue Pharmaceuticals L.P., The P.F. Laboratories, Inc., or collectively the Purdue parties, Rhodes Technologies, and Grünenthal GmbH, or collectively the Purdue litigation plaintiffs or plaintiffs, had commenced patent infringement proceedings, or the Purdue litigation, against us in the U.S. District Court for the District of Delaware (docket number 17-392) in respect of our NDA filing for Oxycodone ER, alleging that our proposed Oxycodone ER infringes 6 out of the 16 patents associated with the branded product OxyContin®, or the OxyContin® patents, listed in the Orange Book. The complaint seeks injunctive relief as well as attorneys' fees and costs and such other and further relief as the Court may deem just and proper. An answer and counterclaim have been filed.

Subsequent to the above-noted filing of lawsuit, 4 further such patents were listed and published in the Orange Book. We then similarly certified to the FDA concerning such further patents. On March 16, 2018, we received notice that the Purdue litigation plaintiffs had commenced further such patent infringement proceedings against us adding the 4 further patents. This lawsuit is also in the District of Delaware federal court under docket number 18-404.

As a result of the commencement of the first of these legal proceedings, the FDA is stayed for 30 months from granting final approval to our Oxycodone ER product candidate. That time period commenced on February 24, 2017, when the Purdue litigation plaintiffs received notice of our certification concerning the patents, and will expire on August 24, 2019, unless the stay is earlier terminated by a final declaration of the courts that the patents are invalid, or are not infringed, or the matter is otherwise settled among the parties.

On or about June 26, 2018, the court issued an order to sever 6 "overlapping" patents from the second Purdue case, but ordered litigation to proceed on the 4 new (2017-issued) patents. An answer and counterclaim was filed on July 9, 2018. The existence and publication of additional patents in the Orange Book, and litigation arising therefrom, is an ordinary and to be expected occurrence in the course of such litigation.

On July 6, 2018, the court issued a so-called "Markman" claim construction ruling on the first case and the October 22, 2018 trial date remained unchanged. We believe that we have non-infringement and/or invalidity defenses to all of the asserted claims of the subject patents in both of the cases and will vigorously defend against these claims.

On July 24, 2018, the parties to the case mutually agreed to dismiss the infringement claims related to the Grünenthal '060 patent. The Grünenthal '060 patent is one of the six patents included in the original litigation case, however, the dismissal does not by itself result in a termination of the 30-month litigation stay. Infringement claims related to this patent have been dismissed without prejudice.

On October 4, 2018, the parties to the case mutually agreed to postpone the scheduled court date pending a case status conference scheduled for December 17, 2018.

In July 2017, three complaints were filed in the U.S. District Court for the Southern District of New York asserting claims under the federal securities laws against us and two of our executive officers on behalf of a putative class of purchasers of our securities. In a subsequent order, the Court consolidated the three actions under the caption *Shanawaz v. Intellipharma Int'l Inc., et al.*, No. 1:17-cv-05761 (S.D.N.Y.), appointed lead plaintiffs in the consolidated action, and approved lead plaintiffs' selection of counsel. Lead plaintiffs filed a consolidated amended complaint on January 29, 2018. In the amended complaint, lead plaintiffs purport to assert claims on behalf of a putative class consisting of purchasers of our securities between May 21, 2015 and July 26, 2017. The amended complaint alleges that the defendants violated Sections 10(b) and 20(a) of the U.S. Exchange Act and Rule 10b-5 promulgated thereunder by making allegedly false and misleading statements or failing to disclose certain information regarding our NDA for Oxycodone ER abuse-deterrent oxycodone hydrochloride extended-release tablets. The complaint seeks, among other remedies, unspecified damages, attorneys' fees and other costs, equitable and/or injunctive relief, and such other relief as the court may find just and proper. On March 30, 2018, we filed a motion to dismiss in response to the claim. A response by the plaintiffs was filed on May 31, 2018. A reply in support of the motion to dismiss was filed by the Company on June 29, 2018. We intend to vigorously defend against the claims asserted in the consolidated action.

LEGAL MATTERS

Certain legal matters relating to the offering of securities hereunder will be passed upon on behalf of the Company by Gowling WLG (Canada) LLP. At the date hereof, the partners and associates of Gowling WLG (Canada) LLP, as a group, beneficially own, directly or indirectly, less than 1% of any outstanding securities of the Company or any associate or affiliate of the Company. Certain legal matters with respect to this offering, including the validity of the Warrants and the Pre-Funded Warrants under laws of the State of New York has been passed on for us by Buchanan Ingersoll & Rooney PC. Sheppard Mullin Richter & Hampton LLP, New York, New York, is acting as counsel to the underwriters in this offering.

TRANSFER AGENT AND REGISTRAR

The Canadian transfer agent and registrar for our Common Shares is AST Trust Company (Canada) located at 1 Toronto Street, Suite 1200 Toronto, ON M5C 2V6. The United States co-transfer agent and registrar for our Common Shares is American Stock Transfer & Trust Company LLC located at 6201 15th Avenue, Brooklyn, NY 11219.

WHERE YOU CAN FIND MORE INFORMATION; INCORPORATION BY REFERENCE

Available Information

We file reports and other information with the securities commissions and similar regulatory authorities in each of the provinces and territories of Canada. These reports and information are available to the public free of charge on the System for Electronic Document Analysis and Retrieval, or SEDAR, at www.sedar.com.

We have filed a registration statement on Form F-1 with the SEC covering the Units and Pre-Funded Units we are offering by this prospectus. This prospectus does not include all of the information contained in the registration statement. You should refer to the registration statement and its exhibits for additional information. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete and you should refer to the exhibits filed or documents incorporated by reference as part of the registration statement for copies of the actual contract, agreement or other document.

We are subject to the information requirements of the U.S. Exchange Act relating to foreign private issuers and applicable Canadian securities legislation and, in accordance therewith, file reports and other information with the SEC and with the securities regulatory authorities in Canada. As a foreign private issuer, we are exempt from the rules under the U.S. Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the U.S. Exchange Act. In addition, we are not required to publish financial statements as promptly as U.S. companies.

Investors may read any document that we have filed with the SEC at the SEC's public reference room in Washington, D.C. Investors may also obtain copies of those documents from the public reference room of the SEC at 100 F Street, N.E., Washington, D.C., 20549 by paying a fee. Investors should call the SEC at 1-800-SEC-0330 or access its website at www.sec.gov for further information about the public reference rooms. Investors may read and download some of the documents we have filed with the SEC's Electronic Data Gathering and Retrieval system at www.sec.gov.

Readers should rely only on information contained or incorporated by reference in this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide the reader with different information. We are not making an offer of any securities in any jurisdiction where the offer is not permitted. Readers should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus, unless otherwise noted herein or as required by law. It should be assumed that the information appearing in this prospectus and the documents incorporated herein by reference are accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Documents Incorporated by Reference

The SEC allows us to “incorporate by reference” the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus. The documents we are incorporating by reference as of their respective dates of filing are:

- (a) our annual report on Form 20-F for the fiscal year ended November 30, 2017, which was filed with the SEC on March 1, 2018, including our audited consolidated balance sheets as at November 30, 2017 and November 30, 2016, and the consolidated statements of operations and comprehensive loss, shareholders’ equity (deficiency) and cash flows for each of the years in the three-year period ended November 30, 2017;
- (b) our report on Form 6-K furnished to the SEC on April 16, 2018, including our notice of 2018 annual and special meeting of shareholders and management proxy circular dated April 5, 2018, for the annual meeting of shareholders held on May 15, 2018, which was included as part of Exhibit 99.2, but excluding Exhibits 99.1, 99.3, 99.4 and 99.5 thereto;
- (c) our report on Form 6-K furnished to the SEC on July 13, 2018, including our notice of 2018 special meeting of shareholders and management proxy circular dated July 6, 2018, for the special meeting of shareholders to be held on August 15, 2018, which was included as part of Exhibit 99.2, but excluding Exhibits 99.1, 99.3, 99.4, 99.5 and 99.6 thereto;
- (d) our condensed unaudited interim consolidated financial statements and notes to the condensed unaudited interim consolidated financial statements (i) for the three months ended February 28, 2018, which were included as Exhibit 99.2 to the report on Form 6-K furnished to the SEC on April 16, 2018, together with the Management Discussion and Analysis of Financial Condition and Results of Operations for the three months ended February 28, 2018, which was included as Exhibit 99.1 to the report on Form 6-K furnished to the SEC on April 16, 2018 and (ii) for the three and six months ended May 31, 2018, which were included as Exhibit 99.2 to the report on Form 6-K furnished to the SEC on July 16, 2018, together with the Management Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended May 31, 2018, which was included as Exhibit 99.1 to the report on Form 6-K furnished to the SEC on July 16, 2018, and our report on Form 6-K/A furnished to the SEC on July 24, 2018; and
- (e) our reports on Form 6-K furnished to the SEC on March 14, 2018, March 16, 2018, March 19, 2018 (both reports filed on such date), March 20, 2018, March 21, 2018, March 22, 2018, March 29, 2018, April 23, 2018, April 27, 2018, May 8, 2018, May 16, 2018, May 22, 2018, June 8, 2018, August 15, 2018, September 11, 2018, September 13, 2018, October 1, 2018, October 5, 2018 and October 11, 2018.

Copies of the documents incorporated herein by reference may be obtained on request without charge from our Chief Financial Officer at 30 Worcester Road, Toronto, Ontario, Canada, M9W 5X2, telephone (416) 798-3001 or on our website at www.intellipharma.com. The information on our website is not incorporated by reference into this prospectus. These documents are also available through the Internet on SEDAR, which can be accessed online at www.sedar.com, and on the SEC’s Electronic Data Gathering and Retrieval System at www.sec.gov.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein, or in a subsequently filed document incorporated by reference herein, modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this prospectus.

ENFORCEMENT OF CERTAIN CIVIL LIABILITIES

The Company is incorporated under the CBCA and its principal place of business is in Canada. Most of the Company's directors and officers, and some of the experts named in this prospectus, are residents of Canada, and all or a substantial portion of their assets, and a substantial portion of the Company's assets, are located outside the United States. The Company has appointed an agent for service of process in the United States but it may be difficult for holders of securities who reside in the United States to effect service within the United States upon the Company or those directors, officers and experts who are not residents of the United States. Investors should not assume that a Canadian court would enforce a judgment of a U.S. court obtained in an action against the Company or such other persons predicated on the civil liability provisions of the U.S. federal securities laws or the securities or "blue sky" laws of any state within the United States or would enforce, in original actions, liabilities against the Company or such persons predicated on the U.S. federal securities laws or any such state securities or "blue sky" laws. The Company's Canadian counsel has advised the Company that a monetary judgment of a U.S. court predicated solely upon the civil liability provisions of U.S. federal securities laws would likely be enforceable in Canada if the U.S. court in which the judgment was obtained had a basis for jurisdiction in the matter that was recognized by a Canadian court for such purposes. The Company cannot provide assurance that this will be the case. It is less certain that an action could be brought in Canada in the first instance on the basis of liability predicated solely upon such laws.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been or will be filed with the SEC as part of the registration statement of which this prospectus forms a part: the documents set out under the heading "Where You Can Find More Information; Incorporation by Reference"; the forms of the underwriting agreement, the Warrants and the Pre-Funded Warrants; the consents of the auditor and legal counsel and the powers of attorney from the directors and certain officers of the Company.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR U.S. SECURITIES ACT LIABILITY

Insofar as indemnification for liabilities arising under the U.S. Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the U.S. Securities Act and is therefore unenforceable.



INTELLIPHARMACEUTICS INTERNATIONAL INC.

Up to 8,695,652 Units (each Unit contains one Common Share and one Warrant to purchase one Common Share)

Up to 8,695,652 Pre-Funded Units (each Pre-Funded Unit contains one Pre-Funded Warrant to purchase one Common Share and one Warrant to purchase one Common Share)

(8,695,652 Common Shares Underlying the Warrants) and

(8,695,652 Common Shares Underlying the Pre-Funded Warrants)

PROSPECTUS

Sole Book-Running Manager

H.C. Wainwright & Co.

October , 2018

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers

Under Section 124 of the CBCA, a corporation may indemnify a present or former director or officer of the corporation or another individual who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity. A corporation may not indemnify an individual unless the individual (i) acted honestly and in good faith with a view to the best interests of the corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the corporation's request, and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful. Such indemnification may be made in connection with an action by or on behalf of the corporation or other entity to procure a judgment in its favor only with court approval and only if the conditions set forth in subclauses (i) and (ii) above are met. A director or officer is entitled to indemnification from the corporation as a matter of right if he or she was not judged by the court or other competent authority to have committed any fault or omitted to do anything that he or she ought to have done and fulfilled the conditions set forth in subclauses (i) and (ii) above. The corporation may advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above. The individual shall repay the moneys if he or she does not fulfill the conditions set forth in subclauses (i) and (ii) above to qualify for indemnification.

Our By-Law No. 1 (a by-law relating generally to the transaction of the business and affairs of the Company) provides for the indemnification of the directors and officers of the Company, and former directors and officers of the Company, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Company, subject to certain limitations in By-Law No. 1 and the limitations in the CBCA.

The Company may also indemnify other individuals who act or acted at the Company's request as a director or officer, or an individual acting in a similar capacity, of another entity.

A policy of directors' and officers' liability insurance is maintained by the Company which insures directors and officers of the Company for losses as a result of claims based upon their acts or omissions as directors and officers including liabilities under securities laws, and also reimburses the Company for payments made pursuant to the indemnity provisions under the CBCA. The directors and officers are not required to pay any premium in respect of this insurance.

Insofar as indemnification for liabilities arising under the U.S. Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to any charter provision, by-law, contract, arrangement, statute or otherwise, the Company has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the U.S. Securities Act and is, therefore, unenforceable.

Item 7. Recent Sales of Unregistered Securities

Pursuant to a placement agent agreement dated October 10, 2017 between the Company and H.C. Wainwright, in October 2017, we completed a registered direct offering of 363,636 Common Shares at a price of \$11.00 per share (post reverse-split) for gross proceeds of approximately \$4 million. We also issued to the investors unregistered warrants to purchase an aggregate of 181,818 Common Shares at an initial exercise price of \$12.50 per share (post reverse-split). The warrants became exercisable six months following the October 13, 2017 closing date and will expire 30 months after the date they became exercisable. The Common Shares (but not the warrants or the Common Shares underlying the warrants) were offered by us through a prospectus supplement pursuant to our shelf registration statement on Form F-3 as previously filed and declared effective by the SEC and the base prospectus contained therein (Registration Statement No. 333-218297). The warrants described above were offered in a private placement under Section 4(a)(2) of the U.S. Securities Act, and Regulation D promulgated thereunder and, along with the Common Shares underlying the warrants, were not registered under the U.S. Securities Act. We also issued to the placement agent 18,181 warrants to purchase Common Shares at an initial exercise price of \$13.75 per share (post reverse-split). The total net proceeds from the offering were \$3.5 million, after deducting offering expenses.

Pursuant to a placement agent agreement dated March 12, 2018 between the Company and H.C. Wainwright, on March 16, 2018, we completed a registered direct offering of 583,333 Common Shares at a price of \$6.00 per share (post reverse-split) for gross proceeds of approximately \$3.5 million. We also issued to the investors unregistered warrants to purchase an aggregate of 291,666 Common Shares at an initial exercise price of \$6.00 per share (post reverse-split). The warrants are exercisable six months following the March 16, 2018 closing date and will expire 30 months after the date they become exercisable. The Common Shares (but not the warrants or the Common Shares underlying the warrants) were offered by us through a prospectus supplement pursuant to our shelf registration statement on Form F-3 as previously filed and declared effective by the SEC and the base prospectus contained therein (Registration Statement No. 333-218297). The warrants described above were offered in a private placement under Section 4(a)(2) of the U.S. Securities Act, and Regulation D promulgated thereunder and, along with the Common Shares underlying the warrants, have not been registered under the U.S. Securities Act. We also issued to the placement agent 29,166 warrants to purchase Common Shares at an initial exercise price of \$7.50 per share (post reverse-split), paid \$245,000 in cash for placement agent fees and an aggregate of \$75,000 for certain expenses. The total net proceeds from the offering were approximately \$3 million, after deducting offering expenses.

Pursuant to a placement agent agreement dated March 18, 2018 between the Company and H.C. Wainwright, on March 21, 2018, we completed a registered direct offering of 300,000 Common Shares at a price of \$6.00 per share (post reverse-split) for gross proceeds of approximately \$1.8 million. We also issued to the investors unregistered warrants to purchase an aggregate of 150,000 Common Shares at an initial exercise price of \$6.00 per share (post reverse-split). The warrants are exercisable six months following the March 21, 2018 closing date and will expire 30 months after the date they become exercisable. The Common Shares (but not the warrants or the Common Shares underlying the warrants) were offered by us through a prospectus supplement pursuant to our shelf registration statement on Form F-3 as previously filed and declared effective by the SEC and the base prospectus contained therein (Registration Statement No. 333-218297). The warrants described above were offered in a private placement under Section 4(a)(2) of the U.S. Securities Act, and Regulation D promulgated thereunder and, along with the Common Shares underlying the warrants, have not been registered under the U.S. Securities Act. We also issued to the placement agent 15,000 warrants to purchase Common Shares at an initial exercise price of \$7.50 per share (post reverse-split), paid \$126,000 in cash for placement agent fees and an aggregate of \$45,000 for certain expenses. The total net proceeds from the offering were approximately \$1.6 million, after deducting offering expenses.

On September 10, 2018 we completed the private placement financing of the 2018 Debenture in the principal amount of \$500,000. The 2018 Debenture is due to mature on September 1, 2020. The 2018 Debenture bears interest at a rate of 10% per annum, payable monthly, is pre-payable at any time at our option, and is convertible into Common Shares at any time prior to the maturity date at a conversion price of \$3.00 per Common Share (post reverse-split) at the option of the holder. Drs. Isa and Amina Odidi, who are directors, executive officers and principal shareholders of our Company, provided us with the original \$500,000 of proceeds for the 2018 Debenture.

Item 8. Exhibits and Financial Statement Schedules

Exhibit Number	Description
	(a) The following documents are filed as part of this registration statement:
<u>1.1</u>	<u>Form of Underwriting Agreement</u>
<u>3.1</u>	<u>Articles of Incorporation of the Company and certain Amendments thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Annual Report on Form 20-F for the fiscal year ended November 30, 2009 as filed on June 1, 2010).</u>
<u>3.2</u>	<u>Articles of Amendment to the Articles of Incorporation of the Company (incorporated herein by reference to Exhibit 99.1 to the Company's report on Form 6-K for the month of the September 2018 as filed on September 13, 2018).</u>
<u>3.3</u>	<u>By-laws of the Company (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 20-F for the fiscal year ended November 30, 2009 as filed on June 1, 2010).</u>
<u>4.1</u>	<u>IPC Arrangement Agreement (incorporated herein by reference to Exhibit 4.1 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2009 as filed on June 1, 2010)</u>
<u>4.2</u>	<u>The acknowledgement and agreement of the Company dated October 22, 2009 to be bound by the performance based stock option agreement dated September 10, 2004 pursuant to which Drs. Isa and Amina Odidi are entitled to purchase up to 276,394 of the Company's shares upon payment of \$36.20 per share, subject to satisfaction of the performance vesting conditions (incorporated herein by reference to Exhibit 4.2 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2009 as filed on June 1, 2010)</u>
<u>4.3</u>	<u>The amended and restated promissory note dated October 22, 2009 for up to \$2,300,000 issued by Intellipharmaeutics Corp. to Isa Odidi and Amina Odidi (incorporated herein by reference to Exhibit 4.3 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2009 as filed on June 1, 2010)</u>

<u>4.4</u>	<u>Registration rights agreement for February 1, 2011 private placement (incorporated herein by reference to Exhibit 4.52 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2010 as filed on May 31, 2011)</u>
<u>4.5</u>	<u>Combined Series A/B common share purchase warrant for February 1, 2011 private placement (incorporated herein by reference to Exhibit 4.53 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2010 as filed on May 31, 2011)</u>
<u>4.6</u>	<u>Form of Subscription Agreement (incorporated by reference to Exhibit A attached to Exhibit 99.1 to the Company's report on Form 6-K for the month of March 2012 as filed on March 9, 2012)</u>
<u>4.7</u>	<u>12% convertible term debenture dated January 10, 2013 in principal amount of \$1,500,000 (incorporated herein by reference to Exhibit 4.56 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2012 as filed on January 31, 2013)</u>
<u>4.8</u>	<u>Form of Subscription Agreement (incorporated by reference to Exhibit A attached to Exhibit 99.1 to the Company's report on Form 6-K for the month of March 2013 as filed on March 19, 2013)</u>
<u>4.9</u>	<u>Form of Warrants (incorporated by reference to Exhibit B attached to Exhibit 99.1 to the Company's report on Form 6-K for the month of March 2013 as filed on March 19, 2013)</u>
<u>4.10</u>	<u>Form of Warrants (incorporated herein by reference to Exhibit 99.2 to the Company's report on Form 6-K for the month of July 2013 as filed on July 26, 2013 (SEC Accession No. 0001171843-13-002968))</u>
<u>4.11</u>	<u>Extension of Debenture Maturity Date dated October 1, 2014 to that certain 12% convertible term debenture dated January 10, 2013 in principal amount of \$1,500,000 (incorporated herein by reference to Exhibit 4.66 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2014 as filed on February 27, 2015)</u>
<u>4.12</u>	<u>Extension of Debenture Maturity Date dated as of June 29, 2015 to that certain 12% convertible term debenture dated January 10, 2013 in principal amount of \$1,500,000 (incorporated herein by reference to Exhibit 4.68 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2015 as filed on March 21, 2016)</u>
<u>4.13</u>	<u>Extension of Debenture Maturity Date dated as of December 8, 2015 to that certain 12% convertible term debenture dated January 10, 2013 in principal amount of \$1,500,000 (incorporated herein by reference to Exhibit 4.69 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2015 as filed on March 21, 2016)</u>
<u>4.14</u>	<u>Form of Common Share Purchase Warrant (incorporated herein by reference to Exhibit 99.2 to the Company's report on Form 6-K for the month of May 2016 as filed on May 27, 2016)</u>
<u>4.15</u>	<u>Extension of Debenture Maturity Date dated as of May 26, 2016 to that certain 12% convertible term debenture dated January 10, 2013 (incorporated herein by reference to Exhibit 4.72 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2016 as filed on February 28, 2017)</u>
<u>4.16</u>	<u>Extension of Debenture Maturity Date dated as of December 1, 2016 to that certain 12% convertible term debenture dated January 10, 2013 (incorporated herein by reference to Exhibit 4.73 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2016 as filed on February 28, 2017)</u>
<u>4.17</u>	<u>Form of Warrant (incorporated herein by reference to Exhibit 99.2 to the Company's report on Form 6-K for the month of October 2017 as filed on October 12, 2017)</u>
<u>4.18</u>	<u>Form of Wainwright Warrant (incorporated herein by reference to Exhibit 99.3 to the Company's report on Form 6-K for the month of October 2017 as filed on October 12, 2017)</u>
<u>4.19</u>	<u>Extension of Debenture Maturity Date dated as of March 28, 2017 to that certain 12% convertible term debenture dated January 10, 2013 (incorporated herein by reference to Exhibit 4.79 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2017 as filed on March 1, 2018)</u>
<u>4.20</u>	<u>Extension of Debenture Maturity Date dated as of September 28, 2017 to that certain 12% convertible term debenture dated January 10, 2013 (incorporated herein by reference to Exhibit 4.80 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2017 as filed on March 1, 2018)</u>
<u>4.21</u>	<u>Form of Warrant (incorporated herein by reference to Exhibit 99.2 to the Company's report on Form 6-K for the month of March 2018 as filed on March 16, 2018)</u>
<u>4.22</u>	<u>Form of Wainwright Warrant (incorporated herein by reference to Exhibit 99.3 to the Company's report on Form 6-K for the month of March 2018 as filed on March 16, 2018)</u>
<u>4.23</u>	<u>Form of Warrant (incorporated herein by reference to Exhibit 99.2 to the Company's report on Form 6-K for the month of March 2018 as filed on March 20, 2018)</u>
<u>4.24</u>	<u>Form of Wainwright Warrant (incorporated herein by reference to Exhibit 99.3 to the Company's report on Form 6-K for the month of March 2018 as filed on March 20, 2018)</u>
<u>4.25**</u>	<u>10% convertible term debenture dated September 10, 2018 in principal amount of \$500,000</u>
<u>4.26</u>	<u>Form of Pre-Funded Warrant</u>
<u>4.27</u>	<u>Form of Warrant</u>

<u>4.28</u>	<u>Form of Underwriter Warrant</u>
<u>4.29</u>	<u>Extension of Debenture Maturity Date dated as of October 1, 2018 to that certain 12% convertible term debenture dated January 10, 2013</u>
<u>5.1</u>	<u>Opinion of Gowling WLG (Canada) LLP</u>
<u>5.2</u>	<u>Opinion of Buchanan Ingersoll & Rooney PC</u>
<u>10.1</u>	<u>Equity Distribution Agreement between Intellipharmaceutics International Inc. and Roth Capital Partners, LLC, dated November 27, 2013 (incorporated herein by reference to Exhibit 99.1 to the Company's report on Form 6-K for the month of November 2013 as filed on November 27, 2013)</u>
<u>10.2(†)</u>	<u>License and Commercialization Agreement dated as of November 21, 2005, between Intellipharmaceutics Corp., and Par Pharmaceutical, Inc., as amended by the First Amendment To License and Commercialization Agreement dated as of August 12, 2011, and as further amended by the Second Amendment to License and Commercialization Agreement dated as of September 24, 2013 (incorporated herein by reference to Exhibit 4.64 to the Company's Amendment No. 1 on Form 20-F/A for the fiscal year ended November 30, 2013 as filed on April 14, 2014)</u>
<u>10.3</u>	<u>Indenture of Lease dated as of December 1, 2015 between Finley W. McLachlan Properties Inc. and Dufferin Lumber And Supply Company Limited, and Intellipharmaceutics Corp. for premises at 22 Worcester Road and 30 Worcester Road, Toronto, Ontario, Canada (incorporated herein by reference to Exhibit 4.67 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2015 as filed on March 21, 2016)</u>
<u>10.4(†)</u>	<u>License and Commercial Supply Agreement dated effective October 11, 2016, between Mallinckrodt LLC and Intellipharmaceutics Corp. (incorporated herein by reference to Exhibit 4.74 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2016 as filed on February 28, 2017)</u>
<u>10.5</u>	<u>Form of Securities Purchase Agreement, dated October 11, 2017, by and between Intellipharmaceutics International Inc. and the purchaser named therein (incorporated herein by reference to Exhibit 99.1 to the Company's report on Form 6-K for the month of October 2017 as filed on October 12, 2017)</u>
<u>10.6</u>	<u>Form of Securities Purchase Agreement, dated March 13, 2018, by and between Intellipharmaceutics International Inc. and the purchaser named therein (incorporated herein by reference to Exhibit 99.1 to the Company's report on Form 6-K for the month of March 2018 as filed on March 16, 2018)</u>
<u>10.7</u>	<u>Form of Securities Purchase Agreement, dated March 19, 2018, by and between Intellipharmaceutics International Inc. and the purchaser named therein (incorporated herein by reference to Exhibit 99.1 to the Company's report on Form 6-K for the month of March 2018 as filed on March 20, 2018)</u>
<u>21.1</u>	<u>List of subsidiaries (incorporated herein by reference to Exhibit 8.1 to the Company's annual report on Form 20-F for the fiscal year ended November 30, 2017 as filed on March 1, 2018)</u>
<u>23.1</u>	<u>Consent of Independent Registered Public Accounting Firm (MNP LLP)</u>
<u>23.2</u>	<u>Consent of Independent Registered Public Accounting Firm (Deloitte LLP)</u>
<u>23.3</u>	<u>Consent included in opinion of Gowling WLG (Canada) LLP to be filed as Exhibit 5.1.</u>
<u>23.4</u>	<u>Consent included in opinion of Buchanan Ingersoll & Rooney PC to be filed as Exhibit 5.2</u>
<u>24.1**</u>	<u>Power of Attorney (included on the signature pages to this Registration Statement).</u>

* To be filed by amendment or as an exhibit to a report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, including any Report of Foreign Private Issuer on Form 6-K, and incorporated herein by reference if necessary or required by the transaction.

** Previously filed.

(†) Confidential treatment has been granted for certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

Item 9. Undertakings

a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the U.S. Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That, for the purpose of determining any liability under the U.S. Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the U.S. Securities Act need not be furnished, provided, that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the U.S. Securities Act or Rule 3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.
- (5) That, for the purpose of determining liability under the U.S. Securities Act to any purchaser:
 - (i) If the registrant is relying on Rule 430B:
 - A. Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - B. Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the U.S. Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or

- (ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however,* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.
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- (6) That, for the purpose of determining liability of the registrant under the U.S. Securities Act to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the U.S. Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- c) Insofar as indemnification for liabilities arising under the U.S. Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the U.S. Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the U.S. Securities Act and will be governed by the final adjudication of such issue.
- d) The undersigned registrant hereby undertakes that:
- (1) For purposes of determining any liability under the U.S. Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the U.S. Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
 - (2) For the purpose of determining any liability under the U.S. Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Toronto, Province of Ontario, Canada, on October 10, 2018.

INTELLIPHARMACEUTICS INTERNATIONAL INC.

By: /s/ Amina Odidi
Dr. Amina Odidi
President, Chief Operating Officer and Director

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Isa Odidi</u> Dr. Isa Odidi	Chairman of the Board of Directors	October 10, 2018
	Chief Executive Officer and Co-Chief Scientific Officer (Principal Executive Officer)	
<u>/s/ Andrew Patient</u> Andrew Patient	Chief Financial Officer (Principal Financial and Accounting Officer)	October 10, 2018
<u>/s/ Amina Odidi</u> Dr. Amina Odidi	President, Chief Operating Officer, Co-Chief Scientific Officer and Director	October 10, 2018
<u>*</u> Kenneth Keirstead	Director	October 10, 2018
<u>*</u> Bahadur Madhani	Director	October 10, 2018
<u>*</u> Eldon R. Smith	Director	October 10, 2018
<u>*</u> Shawn Graham	Director	October 10, 2018

“*” By: /s/ Dr. Isa Odidi, as Attorney-in-fact

AUTHORIZED REPRESENTATIVE

Pursuant to the requirements of Section 6(a) of the Securities Act of 1933, as amended, the undersigned has signed this Registration Statement, solely in the capacity of the duly authorized representative of Intellipharma International Inc. in the United States, on October 10, 2018.

VASOGEN, CORP.

By: /s/ Amina Odidi

Name: Dr. Amina Odidi

Title: President, Chief Operating Officer, Co-Chief Scientific Officer and Director

INTELLIPHARMACEUTICS INTERNATIONAL INC.

UNDERWRITING AGREEMENT

New York, New York
October 9, 2018

H.C. Wainwright & Co., LLC
430 Park Avenue
New York, New York 10022

Ladies and Gentlemen:

The undersigned, Intellipharmaceutics International Inc., a corporation formed under the laws of Canada (collectively with its subsidiaries and affiliates, including, without limitation, all entities disclosed or described in the Registration Statement (as hereinafter defined) as being subsidiaries or affiliates of Intellipharmaceutics International Inc. (the “**Company**”)), hereby confirms its agreement (this “**Agreement**”) with H.C. Wainwright & Co., LLC (hereinafter referred to as “you” (including its correlatives) or the “**Underwriter**”) as follows:

1. Purchase and Sale of Securities.

1.1 Firm Securities.

1.1.1 Nature and Purchase of Firm Securities.

(i) On the basis of the representations and warranties herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the Underwriter, an aggregate of [] shares (“**Firm Shares**”) of the Company’s common shares, no par value (the “**Common Shares**”), and an aggregate of [] pre-funded warrants (the “**Pre-Funded Warrants**”) in the form filed as an exhibit to the Registration Statement (as hereinafter defined) (the “**Pre-Funded Warrant Agreement**”) exercisable into an aggregate of [] shares of Common Shares (the “**Warrant Shares**”), together with Common Share purchase warrants to purchase up to an aggregate of [] shares of Common Shares (the “**Firm Warrants**”) which shall have an exercise price of \$[], subject to adjustment as provided in the warrant agreement in the form filed as an exhibit to the Registration Statement (the “**Warrant Agreement**”). The Firm Shares, the Firm Warrants and the Pre-Funded Warrants are referred to herein as the “**Firm Securities**.”

(ii) The Underwriter agrees to purchase from the Company the Firm Securities at a purchase price of \$[] per share of Common Share ([]% of the per Firm Share offering price), \$[] per Pre-Funded Warrant ([]% of the per Pre-Funded Warrant offering price) and \$[] per Firm Warrant. The Firm Securities are to be offered initially to the public at the offering price set forth on the cover page of the Prospectus (as defined in Section 2.1.1 hereof).

1.1.2 Securities Payment and Delivery.

(i) Delivery and payment for the Firm Securities shall be made at 10:00 a.m., Eastern time, on the second (2nd) Business Day following the effective date (the “**Effective Date**”) of the Registration Statement (as defined in Section 2.1.1 below) under the Securities Act of 1933, as amended (the “**Securities Act**”) (or the third (3rd) Business Day following the Effective Date if the pricing for the Offering (as defined in Section 2.1.1 below) occurs after 4:01 p.m., Eastern time on the Effective Date) or at such earlier time as shall be agreed upon by the Underwriter and the Company, at the offices of Sheppard Mullin Richter & Hampton LLP, 30 Rockefeller Plaza, 39th Floor, New York, New York 10112 (“**Underwriter Counsel**”), or at such other place (or remotely by facsimile or other electronic transmission) as shall be agreed upon by the Underwriter and the Company. The hour and date of delivery and payment for the Firm Securities is called the “**Closing Date**.”

(ii) Payment for the Firm Securities shall be made on the Closing Date by wire transfer in Federal (same day) funds, payable to the order of the Company upon delivery of the Firm Securities, of which the Firm Shares shall be delivered via the Depository Trust Company (“DTC”) and the Firm Warrants and the Pre-Funded Warrants shall be delivered in certificated form, for the account of the Underwriter. The Firm Securities shall be registered in such name or names and in such authorized denominations as the Underwriter may request in writing at least two (2) full Business Days prior to the Closing Date. The Company shall not be obligated to sell or deliver the Firm Securities except upon tender of payment by the Underwriter for all of the Firm Securities. The term “**Business Day**” means any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions are authorized or obligated by law to close in New York, New York.

1.2 Over-allotment Option.

1.2.1 Option Securities. For the purposes of covering any over-allotments in connection with the distribution and sale of the Firm Securities, the Company hereby grants to the Underwriter an option (the “**Over-allotment Option**”) to purchase up to (a) [] additional Common Shares, representing fifteen percent ([]%) of the Firm Shares sold in the offering, from the Company (the “**Option Shares**”), and/or (b) warrants to purchase up to [] Common Shares, representing fifteen percent ([]%) of the Firm Warrants sold in the offering (the “**Option Warrants**”) and, collectively with the Option Shares, the “**Option Securities**”). The purchase price to be paid per Option Security shall be equal to the price per Firm Share or Firm Warrant, as applicable, which are set forth in Section 1.1.1 hereof. The Common Shares underlying the Firm Warrants and the Option Warrants are hereinafter referred to as the “**Registered Warrant Shares**”. The Firm Securities, the Warrant Shares, the Registered Warrant Shares and the Option Securities are hereinafter referred to together as the “**Public Securities**.” The offering and sale of the Public Securities is hereinafter referred to as the “**Offering**.”

1.2.2 Exercise of Option. The Over-allotment Option granted pursuant to Section 1.2.1 hereof may be exercised by the Underwriter as to all (at any time) or any part (from time to time) of the Option Securities within thirty (30) days after the Effective Date. The Underwriter shall not be under any obligation to purchase any Option Securities prior to the exercise of the Over-allotment Option. The Over-allotment Option granted hereby may be exercised by the giving of oral notice to the Company from the Underwriter, which must be confirmed in writing by overnight mail or facsimile or other electronic transmission setting forth the number of Option Securities to be purchased and the date and time for delivery of and payment for the Option Securities (the “**Option Closing Date**”), which shall not be earlier than two (2) Business Days nor later than three (3) full Business Days after the date of the notice or such other time as shall be agreed upon by the Company and the Underwriter, at the offices of Underwriter’s Counsel or at such other place (including remotely by facsimile or other electronic transmission) as shall be agreed upon by the Company and the Underwriter. If such delivery and payment for the Option Securities does not occur on the Closing Date, the Option Closing Date will be as set forth in the notice. Upon exercise of the Over-allotment Option with respect to all or any portion of the Option Securities, subject to the terms and conditions set forth herein, (i) the Company shall become obligated to sell to the Underwriter the number of Option Securities specified in such notice and (ii) the Underwriter shall purchase the total number of Option Securities specified in such notice.

1.2.3 Payment and Delivery. Payment for the Option Securities shall be made on the Option Closing Date by wire transfer in Federal (same day) funds, payable to the order of the Company upon delivery to you of certificates (in form and substance satisfactory to the Underwriter) representing the Option Securities (or through the facilities of DTC) for the account of the Underwriter. The Option Securities shall be registered in such name or names and in such authorized denominations as the Underwriter may request in writing at least two (2) full Business Days prior to the Option Closing Date. The Company shall not be obligated to sell or deliver the Option Securities except upon tender of payment by the Underwriter for applicable Option Securities.

1.3 Underwriter’s Warrants.

1.3.1 Purchase Warrants. The Company hereby agrees to issue and sell to the Underwriter (and/or its designees) on the Closing Date a warrant (“**Underwriter’s Warrant**” and collectively with the Pre-Funded Warrants and Firm Warrants, the “**Warrants**”) for the purchase of an aggregate of [] Common Shares, representing 6.0% of the Firm Shares and Common Share equivalents (including the Option Shares if they are purchased). The Underwriter’s Warrant agreement, in the form filed as an exhibit to the Registration Statement (the “**Underwriter’s Warrant Agreement**”), shall be exercisable, in whole or in part, commencing on a date which is [()] months after the Effective Date and expiring on the five-year anniversary of the Effective Date at an initial exercise price of \$[] per Common Share, which is equal to 125% of the initial public offering price of the Firm Shares. The Underwriter’s Warrant Agreement and the Common Shares issuable upon exercise thereof are hereinafter referred to together as the “**Underwriter’s Securities**.” The Underwriter understands and agrees that there are significant restrictions pursuant to FINRA Rule 5110 against transferring the Underwriter’s Warrant Agreement and the underlying Common Shares during the one hundred eighty (180) days after the Effective Date and by its acceptance thereof shall agree that it will not sell, transfer, assign, pledge or hypothecate the Underwriter’s Warrant Agreement, or any portion thereof, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such securities for a period of one hundred eighty (180) days following the Effective Date to anyone other than (i) an Underwriter or a selected dealer in connection with the Offering, or (ii) a bona fide officer or partner of the Underwriter or of any such Underwriter or selected dealer; and only if any such transferee agrees to the foregoing lock-up restrictions.

1.3.2 Delivery. Delivery of the Underwriter's Warrant Agreement shall be made on the Closing Date and shall be issued in the name or names and in such authorized denominations as the Underwriter may request.

2. Representations and Warranties of the Company. The Company represents and warrants to the Underwriter as of the Applicable Time (as defined below), as of the Closing Date and as of the Option Closing Date, if any, as follows:

2.1 Filing of Registration Statement.

2.1.1 Pursuant to the Securities Act. The Company has filed with the U.S. Securities and Exchange Commission (the "**Commission**") a registration statement, and an amendment or amendments thereto, on Form F-1 (File No. 333-227448), including any related prospectus or prospectuses, for the registration of the Public Securities under the Securities Act, which registration statement and amendment or amendments have been prepared by the Company in all material respects in conformity with the requirements of the Securities Act and the rules and regulations of the Commission under the Securities Act (the "**Securities Act Regulations**") and will contain all material statements that are required to be stated therein in accordance with the Securities Act and the Securities Act Regulations. Except as the context may otherwise require, such registration statement, as amended, on file with the Commission at the time the registration statement became effective (including the Preliminary Prospectus included in the registration statement, financial statements, schedules, exhibits and all other documents filed as a part thereof or incorporated therein and all information deemed to be a part thereof as of the Effective Date pursuant to paragraph (b) of Rule 430A of the Securities Act Regulations (the "**Rule 430A Information**")), is referred to herein as the "**Registration Statement**." If the Company files any registration statement pursuant to Rule 462(b) of the Securities Act Regulations, then after such filing, the term "**Registration Statement**" shall include such registration statement filed pursuant to Rule 462(b). The Registration Statement has been declared effective by the Commission on the date hereof.

Each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted the Rule 430A Information that was used after such effectiveness and prior to the execution and delivery of this Agreement, is herein called a "**Preliminary Prospectus**." The Preliminary Prospectus, subject to completion, dated October ●, 2018, that was included in the Registration Statement immediately prior to the Applicable Time is hereinafter called the "**Pricing Prospectus**." The final prospectus in the form first furnished to the Underwriter for use in the Offering is hereinafter called the "**Prospectus**." Any reference to the "**most recent Preliminary Prospectus**" shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement.

All references in this agreement (this "Agreement") to the Registration Statement, the Rule 462(b) Registration Statement, any Preliminary Prospectus or the Prospectus, or any amendments or supplements to any of the foregoing, shall be deemed to include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**").

"**Applicable Time**" means [p.m.], Eastern time, on the date of this Agreement.

“Issuer Free Writing Prospectus” means any “issuer free writing prospectus,” as defined in Rule 433 of the Securities Act Regulations (**“Rule 433”**), including without limitation any “free writing prospectus” (as defined in Rule 405 of the Securities Act Regulations) relating to the Public Securities that is (i) required to be filed with the Commission by the Company, (ii) a “road show that is a written communication” within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission, or (iii) exempt from filing with the Commission pursuant to Rule 433(d)(5)(i) because it contains a description of the Public Securities or of the Offering that does not reflect the final terms, in each case in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company’s records pursuant to Rule 433(g).

“Issuer General Use Free Writing Prospectus” means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors (other than a “*bona fide* electronic road show,” as defined in Rule 433(the “Bona Fide Electronic Road Show”)), as evidenced by its being specified in Schedule 1-B hereto.

“Issuer Limited Use Free Writing Prospectus” means any Issuer Free Writing Prospectus that is not an Issuer General Use Free Writing Prospectus.

“Pricing Disclosure Package” means any Issuer General Use Free Writing Prospectus issued at or prior to the Applicable Time, the Pricing Prospectus and the information included on Schedule 1-A hereto, all considered together.

2.1.2 Pursuant to the Exchange Act. The Common Shares are deemed registered pursuant to Section 12(b) under the Securities Exchange Act of 1934, as amended (the **“Exchange Act”**). The Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Shares under the Exchange Act, nor has the Company received any notification that the Commission is contemplating terminating such registration.

2.2 Stock Exchange Listing. The Common Shares are listed on The Nasdaq Capital Market and the Toronto Stock Exchange (collectively, the **“Exchange”**), and the Company has taken no action designed to, or likely to have the effect of, delisting the Common Shares from the Exchange, nor has the Company received any notification that the Exchange is contemplating terminating such listing except as described in the Registration Statement, the Pricing Disclosure Package or the Prospectus. The Company has (a) submitted the Listing of Additional Shares Notification Form with The Nasdaq Capital Market and (b) made a listing application to the Toronto Stock Exchange; in each case, with respect with respect to the Offering of the Public Securities (including the Warrant Shares and the Registered Warrant Shares).

2.3 No Stop Orders, etc. Neither the Commission nor, to the Company’s knowledge, any state regulatory authority has issued any order preventing or suspending the use of the Registration Statement, any Preliminary Prospectus or the Prospectus or has instituted or, to the Company’s knowledge, threatened to institute, any proceedings with respect to such an order. The Company has complied with each request (if any) from the Commission for additional information.

2.4 Disclosures in Registration Statement

2.4.1 Compliance with Securities Act and 10b-5 Representation

(i) Each of the Registration Statement and any post-effective amendment thereto, at the time it became effective, complied in all material respects with the requirements of the Securities Act and the Securities Act Regulations. Each Preliminary Prospectus, including the prospectus filed as part of the Registration Statement as originally filed or as part of any amendment or supplement thereto, and the Prospectus, at the time each was filed with the Commission, complied in all material respects with the requirements of the Securities Act and the Securities Act Regulations. Each Preliminary Prospectus delivered to the Underwriter for use in connection with this Offering and the Prospectus was or will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) Neither the Registration Statement nor any amendment thereto, at its effective time, as of the Applicable Time, at the Closing Date or at any Option Closing Date (if any), contained, contains or will contain an untrue statement of a material fact or omitted, omits or will omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to the Underwriters' Information (as such term is defined in Section 2.4.1(iii) below).

(iii) The Pricing Disclosure Package, as of the Applicable Time, at the Closing Date or at any Option Closing Date (if any), did not, does not and will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Limited Use Free Writing Prospectus hereto does not conflict with the information contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, and each such Issuer Limited Use Free Writing Prospectus, as supplemented by and taken together with the Pricing Prospectus as of the Applicable Time, did not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to statements made or statements omitted in reliance upon and in conformity with written information furnished to the Company with respect to the Underwriter expressly for use in the Registration Statement, the Pricing Prospectus, the Pricing Disclosure Package or the Prospectus or any amendment thereof or supplement thereto. The parties acknowledge and agree that such information provided by or on behalf of any Underwriter consists solely of the following disclosure contained in the "Underwriting" section of the Prospectus: (i) the third paragraph under the heading "Underwriting"; (ii) the information under the heading "Underwriting Discounts, Commissions and Expenses," and (iii) the first three paragraphs under the heading "Stabilization, Short Positions and Penalty Bids" (the "**Underwriter's Information**"); and

(iv) Neither the Prospectus nor any amendment or supplement thereto (including any prospectus wrapper), as of its issue date, at the time of any filing with the Commission pursuant to Rule 424(b), at the Closing Date or at any Option Closing Date, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to the Underwriter's Information.

(v) The documents incorporated by reference in the Registration Statement, the Pricing Prospectus, the Pricing Disclosure Package and the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and none of such documents contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Registration Statement, the Pricing Prospectus, the Pricing Disclosure Package and the Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2.4.2 Disclosure of Agreements. The agreements and documents described in the Registration Statement, the Pricing Disclosure Package and the Prospectus conform in all material respects to the descriptions thereof contained or incorporated by reference therein and there are no agreements or other documents required by the Securities Act and the Securities Act Regulations to be described in the Registration Statement, the Pricing Disclosure Package and the Prospectus or to be filed with the Commission as exhibits to the Registration Statement or to be incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus, that have not been so described or filed or incorporated by reference. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound or affected and (i) that is referred to or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, or (ii) is material to the Company's business, has been duly authorized and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (x) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (y) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws, and (z) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. None of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the Company's knowledge, any other party is in default thereunder and, to the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder, except for a default or event which would not reasonably be expected to result in a Material Adverse Change (as such term is defined in Section 2.5.1 below). To the Company's knowledge, performance by the Company of the material provisions of such agreements or instruments will not result in a violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses (each, a "**Governmental Entity**"), including, without limitation, those relating to environmental laws and regulations, except for any such violation that would not have or reasonably be expected to result in a Material Adverse Change.

2.4.3 Prior Securities Transactions. Subsequent to the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Prospectus, no securities of the Company have been sold by the Company or by or on behalf of, or for the benefit of, any person or persons controlling, controlled by or under common control with the Company, except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

2.4.4 Regulations. The disclosures in the Registration Statement, the Pricing Disclosure Package and the Prospectus concerning the effects of federal, state, local and all foreign regulation on the Offering and the Company's business as currently contemplated are correct in all material respects and no other such regulations are required to be disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus which are not so disclosed.

2.4.5 No Other Distribution of Offering Materials. The Company has not, directly or indirectly, distributed and will not distribute any offering material in connection with the Offering other than any Preliminary Prospectus, the Pricing Prospectus, the Pricing Disclosure Package, the Prospectus and other materials, if any, permitted under the Securities Act and consistent with Section 3.2 below.

2.5 Changes After Dates in Registration Statement.

2.5.1 No Material Adverse Change. Since the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Prospectus, except as otherwise specifically stated therein and except in accordance with its ordinary operations: (i) there has been no material adverse change in the financial position or results of operations of the Company, nor any change or development that, singularly or in the aggregate, would reasonably be expected to involve a material adverse change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Company (a "**Material Adverse Change**"); (ii) there have been no material transactions entered into by the Company, other than as contemplated pursuant to this Agreement; and (iii) no officer or director of the Company has resigned from any position with the Company.

2.5.2 Recent Securities Transactions, etc. Subsequent to the respective dates as of which information is given in the Registration Statement, the Pricing Disclosure Package and the Prospectus, and except as may otherwise be indicated or contemplated herein or disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has not: (i) issued any securities, other than (i) grants under any stock compensation plan and (ii) Common Shares issued upon the exercise or conversion of then outstanding options, warrants and/or convertible securities, or incurred any liability or obligation, direct or contingent, for borrowed money; or (ii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

2.6 Disclosures in Commission Filings. Since November 30, 2015, (i) none of the Company's filings with the Commission contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (ii) the Company has made all filings with the Commission required under the Exchange Act and the rules and regulations of the Commission promulgated thereunder (the "**Exchange Act Regulations**").

2.7 Independent Accountants. To the knowledge of the Company, each of MNP LLP and Deloitte LLP (collectively, the “**Auditor**”), whose report is filed with the Commission and included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, is an independent registered public accounting firm as required by the Securities Act and the Securities Act Regulations and the Public Company Accounting Oversight Board. The Auditor has not, during the periods covered by the financial statements included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, provided to the Company any non-audit services, as such term is used in Section 10A(g) of the Exchange Act.

2.8 Financial Statements, etc. The financial statements, including the notes thereto and supporting schedules included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, fairly present in all material respects the financial position and the results of operations of the Company at the dates and for the periods to which they apply; and such financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“**GAAP**”), consistently applied throughout the periods involved (provided that unaudited interim financial statements are subject to year-end audit adjustments that are not expected to be material in the aggregate and do not contain all footnotes required by GAAP); and the supporting schedules included or incorporated by reference in the Registration Statement present fairly in all material respects the information required to be stated therein. The pro forma financial statements and the related notes, if any, included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus have been properly compiled and prepared in accordance with the applicable requirements of the Securities Act, the Securities Act Regulations, the Exchange Act and/or the Exchange Act Regulations and present fairly the information shown therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. Except as included or incorporated by reference therein, no historical or pro forma financial statements are required to be included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus under the Securities Act, the Securities Act Regulations, the Exchange Act or the Exchange Act Regulations. The pro forma and pro forma as adjusted financial information and the related notes, if any, included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus have been properly compiled and prepared in accordance with the applicable requirements of the Securities Act, the Securities Act Regulations, the Exchange Act or the Exchange Act Regulations and present fairly in all material respects the information shown therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. All disclosures contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus, or incorporated or deemed incorporated by reference therein, regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of the Commission), if any, comply in all material respects with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act, to the extent applicable. Each of the Registration Statement, the Pricing Disclosure Package and the Prospectus discloses all material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons that may have a material current or future effect on the Company’s financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, since the date of the latest financial statements of the Company included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus, (a) neither the Company nor any of its direct and indirect subsidiaries, including each entity disclosed or described in the Registration Statement, the Pricing Disclosure Package and the Prospectus as being a subsidiary of the Company (each, a “**Subsidiary**” and, collectively, the “**Subsidiaries**”), has incurred any material liabilities or obligations, direct or contingent, or entered into any material transactions other than in the ordinary course of business, (b) the Company has not declared or paid any dividends or made any distribution of any kind with respect to its capital stock, (c) there has not been any change in the capital stock of the Company or any of its Subsidiaries, or, other than in the ordinary course of business or any grants under any stock compensation plan and Common Shares issued upon exercise or conversion of options, warrants or convertible securities described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, and (d) there has not been any Material Adverse Change in the Company’s long-term or short-term debt.

2.9 Authorized Capital: Options, etc. The Company had, at the date or dates indicated in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the duly authorized, issued and outstanding capitalization as set forth therein. Based on the assumptions stated in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company will have on the Closing Date the adjusted stock capitalization set forth therein. Except as set forth in, or contemplated by, the Registration Statement, the Pricing Disclosure Package and the Prospectus, on the Effective Date, as of the Applicable Time and on the Closing Date and any Option Closing Date, there will be no stock options, warrants, or other rights to purchase or otherwise acquire any authorized, but unissued Common Shares of the Company or any security convertible or exercisable into Common Shares of the Company, or any contracts or commitments to issue or sell Common Shares or any such options, warrants, rights or convertible securities.

2.10 Valid Issuance of Securities, etc.

2.10.1 Outstanding Securities. Since November 30, 2015, all issued and outstanding securities of the Company issued prior to the transactions contemplated by this Agreement have been duly authorized and validly issued and are fully paid and non-assessable; the holders thereof have no rights of rescission with respect thereto, and are not subject to personal liability by reason of being such holders; and none of such securities were issued in violation of the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company. The authorized Common Shares conform in all material respects to all statements relating thereto contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus. The offers and sales of the outstanding Common Shares were at all relevant times either registered under the Securities Act and the applicable state securities or “blue sky” laws or, based in part on the representations and warranties of the purchasers of such Common Shares, exempt from such registration requirements.

2.10.2 Securities Sold Pursuant to this Agreement. The Public Securities and Underwriter’s Securities have been duly authorized for issuance and sale and, when issued and paid for in accordance with their respective terms, will be validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders; the Public Securities and Underwriter’s Securities are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company; and all corporate action required to be taken for the authorization, issuance and sale of the Public Securities and Underwriter’s Securities has been duly and validly taken. The Public Securities and Underwriter’s Securities conform in all material respects to all statements with respect thereto contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus. All corporate action required to be taken for the authorization, issuance and sale of the Pre-Funded Warrants, the Firm Warrants, the Option Warrants and Underwriter’s Warrant have been duly and validly taken; the Warrant Shares, the Registered Warrant Shares and the Common Shares issuable upon exercise of the Underwriter’s Warrant have been duly authorized and reserved for issuance by all necessary corporate action on the part of the Company and when paid for and issued in accordance with the Pre-Funded Warrant Agreement, the Warrant Agreement and the Underwriter’s Warrant Agreement, respectively, such Common Shares will be validly issued, fully paid and non-assessable; the holders thereof are not and will not be subject to personal liability by reason of being such holders; and such Common Shares are not and will not be subject to the preemptive rights of any holders of any security of the Company or similar contractual rights granted by the Company.

2.11 Registration Rights of Third Parties. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, no holders of any securities of the Company or any rights exercisable for or convertible or exchangeable into securities of the Company have the right to require the Company to register any such securities of the Company under the Securities Act or to include any such securities in a registration statement to be filed by the Company (except with respect to securities covered by an effective registration statement).

2.12 Validity and Binding Effect of Agreements. This Agreement, the Warrant Agreement, the Pre-Funded Warrant Agreement and the Underwriter’s Warrant Agreement have been duly and validly authorized by the Company, and, when executed and delivered, will constitute, the valid and binding agreements of the Company, enforceable against the Company in accordance with their respective terms, except: (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, fraudulent transfer, moratorium or similar laws affecting creditors’ rights generally; (ii) as enforceability of any indemnification or contribution provision may be limited under the federal and state securities laws; and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

2.13 No Conflicts, etc. The execution, delivery and performance by the Company of this Agreement, the Warrant Agreement, the Pre-Funded Warrant Agreement, the Underwriter's Warrant Agreement and all ancillary documents, the consummation by the Company of the transactions herein and therein contemplated and the compliance by the Company with the terms hereof and thereof do not and will not, with or without the giving of notice or the lapse of time or both: (i) result in a material breach of, or conflict with any of the terms and provisions of, or constitute a material default under, or result in the creation, modification, termination or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to the terms of any agreement or instrument to which the Company is a party; (ii) result in any violation of the provisions of the Company's articles of arrangement of the Company dated October 22, 2009 (as amended by articles of amendment dated September 12, 2018, and as the same may be further amended or restated from time to time, the "**Charter**") or the by-laws of the Company; or (iii) violate any existing applicable law, rule, regulation, judgment, order or decree of any Governmental Entity as of the date hereof including, without limitation, those promulgated by the Food and Drug Administration of the U.S. Department of Health and Human Services (the "**FDA**") or by any foreign, federal, state or local regulatory authority performing functions similar to those performed by the FDA, except in the case of clauses (i) and (iii) above for any such breaches, conflicts, defaults or violations which would not reasonably be expected to result in a Material Adverse Change.

2.14 No Defaults; Violations. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, no default exists in the due performance and observance of any term, covenant or condition of any material license, contract, indenture, mortgage, deed of trust, note, loan or credit agreement, or any other agreement or instrument evidencing an obligation for borrowed money, or any other material agreement or instrument to which the Company is a party or by which the Company may be bound or to which any of the properties or assets of the Company is subject. The Company is not in violation of (i) any term or provision of its Charter or by-laws, or (ii) any franchise, license, permit, applicable law, rule, regulation, judgment or decree of any Governmental Entity applicable to the Company, except as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change.

2.15 Corporate Power; Licenses; Consents.

2.15.1 Conduct of Business. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has all requisite corporate power and authority, and has all necessary authorizations, approvals, orders, licenses, certificates and permits of and from all governmental regulatory officials and bodies that it needs as of the date hereof to conduct its business purpose as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, except where the failure to have any such authorization, approval, order, license, certificate or permit would not have or reasonably be expected to result in a Material Adverse Change.

2.15.2 Transactions Contemplated Herein. The Company has all corporate power and authority to enter into this Agreement and to carry out the provisions and conditions hereof, and all consents, authorizations, approvals and orders required in connection therewith have been obtained. No consent, authorization or order of, and no filing with, any court, government agency or other body is required for the valid issuance, sale and delivery of the Public Securities and the consummation of the transactions and agreements contemplated by this Agreement, the Warrant Agent Agreement, the Pre-Funded Warrant Agreement, the Underwriter's Warrant Agreement and as contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, except with respect to applicable federal and state securities laws and the rules and regulations of the Exchange and the Financial Industry Regulatory Authority, Inc. ("**FINRA**") and except with respect to such consent, authorization, order or filing that would not reasonably be expected to have a Material Adverse Change.

2.16 D&O Questionnaires. To the Company's knowledge, all information contained in the questionnaires (the "**Questionnaires**") completed by each of the Company's directors and officers immediately prior to the Offering (the "**Insiders**") as supplemented by all information concerning the Company's directors, officers and principal shareholders as described in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, as well as in the Lock-Up Agreement (as defined herein), provided to the Underwriter, is true and correct in all material respects and the Company has not become aware of any information which would cause the information disclosed in the Questionnaires to become materially inaccurate and incorrect.

2.17 Litigation: Governmental Proceedings. There is no action, suit, proceeding, inquiry, arbitration, investigation, litigation or governmental proceeding pending or, to the Company's knowledge, threatened against, or involving the Company or, to the Company's knowledge, any executive officer or director which has not been disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus which is required to be disclosed (it being understood that the interaction between the Company and the FDA and such comparable governmental bodies relating to the clinical development and product approval process shall not be deemed proceedings for purposes of this representation), except for any such action, suit, proceeding, inquiry, arbitration, investigation, litigation or governmental proceeding that would not have or reasonably be expected to result in a Material Adverse Change.

2.18 Good Standing. The Company has been duly organized and is validly existing as a corporation and is in good standing under the laws of Canada as of the date hereof, and is duly qualified to do business and is in good standing in each other jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify, singularly or in the aggregate, would not have or reasonably be expected to result in a Material Adverse Change.

2.19 Insurance. The Company carries or is entitled to the benefits of insurance, with, to the Company's knowledge, reputable insurers, and in such amounts and covering such risks which the Company believes are reasonably adequate, and all such insurance is in full force and effect. The Company has no reason to believe that it will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to result in a Material Adverse Change.

2.20 Transactions Affecting Disclosure to FINRA.

2.20.1 Finder's Fees. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee by the Company or any Insider with respect to the sale of the Public Securities hereunder or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its shareholders that may affect the Underwriter's compensation, as determined by FINRA.

2.20.2 Payments Within Twelve (12) Months. Except as described in the Registration Statement, the Pricing Disclosure Package or the Prospectus, the Company has not made any direct or indirect payments (in cash, securities or otherwise) to: (i) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to the Company; (ii) any FINRA member; or (iii) any person or entity that has any direct or indirect affiliation or association with any FINRA member, within the twelve (12) months prior to the Effective Date, other than the payment to the Underwriter as provided hereunder in connection with the Offering.

2.20.3 Use of Proceeds. None of the net proceeds of the Offering will be paid by the Company to any participating FINRA member or its affiliates, except as specifically authorized herein.

2.20.4 FINRA Affiliation. Except as disclosed in their FINRA confirmations, to the Company's knowledge, there is no (i) officer or director of the Company, (ii) beneficial owner of 5% or more of any class of the Company's securities or (iii) beneficial owner of the Company's unregistered equity securities which were acquired during the 180-day period immediately preceding the filing of the Registration Statement that is an affiliate or associated person of a FINRA member participating in the Offering (as determined in accordance with the rules and regulations of FINRA).

2.20.5 Information. To the Company's knowledge, all information provided by the Company in its FINRA questionnaire to Underwriter Counsel specifically for use by Underwriter Counsel in connection with its Public Offering System filings (and related disclosure) with FINRA is true, correct and complete in all material respects.

2.21 Foreign Corrupt Practices Act. None of the Company and its Subsidiaries or, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company and its Subsidiaries or any other person acting on behalf of the Company and its Subsidiaries, has, directly or indirectly, given or agreed to give any money, gift or similar benefit (other than legal price concessions to customers in the ordinary course of business) to any customer, supplier, employee or agent of a customer or supplier, or official or employee of any governmental agency or instrumentality of any government (domestic or foreign) or any political party or candidate for office (domestic or foreign) or other person who was, is, or may be in a position to help or hinder the business of the Company (or assist it in connection with any actual or proposed transaction) that (i) might subject the Company to any damage or penalty in any civil, criminal or governmental litigation or proceeding, (ii) if not given in the past, might reasonably be expected to have had a Material Adverse Change or (iii) if not continued in the future, might adversely affect the assets, business, operations or prospects of the Company. The Company has taken reasonable steps to ensure that its accounting controls and procedures are sufficient to cause the Company to comply in all material respects with the Foreign Corrupt Practices Act of 1977, as amended.

2.22 Compliance with OFAC. None of the Company and its Subsidiaries or, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company and its Subsidiaries or any other person acting on behalf of the Company and its Subsidiaries, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), and the Company will not, directly or indirectly, use the proceeds of the Offering hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC.

2.23 Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in either the Registration Statement, Pricing Disclosure Package or Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed by the Company other than in good faith.

2.24 Money Laundering Laws. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Money Laundering Laws**"); and no action, suit or proceeding by or before any Governmental Entity involving the Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

2.25 Officers' Certificate. Any certificate signed by any duly authorized officer of the Company and delivered to the Underwriter or to Underwriter Counsel shall be deemed a representation and warranty by the Company to the Underwriter as to the matters covered thereby.

2.26 Lock-Up Agreements. Schedule 2 hereto contains a complete and accurate list of the Company's officers and directors (collectively, the "**Lock-Up Parties**"). The Company has caused each of the Lock-Up Parties to deliver to the Underwriter an executed Lock-Up Agreement, in the form attached hereto as Exhibit A (the "**Lock-Up Agreement**"), prior to the execution of this Agreement. If the Underwriter, in its sole discretion, agrees to release or waive the restrictions set forth in a Lock-Up Agreement for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three (3) Business Days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver at least two (2) business days before the effective date of the release or waiver by either (i) a press release through a major news service at least two (2) Business Days before the effective date of the release or waiver, or (ii) any other method that satisfies the obligations described in FINRA Rule 5131(d)(2).

2.27 Subsidiaries. All direct and indirect Subsidiaries of the Company are duly organized and in good standing under the laws of the place of organization or incorporation, and each Subsidiary is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of business requires such qualification, except where the failure to qualify would not result in a Material Adverse Change. The Company's ownership and control of each Subsidiary is as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and the securities of the Subsidiaries that it owns are free and clear of any claims, liens, encumbrances or security interests except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, and all of the securities have been duly authorized and validly issued by the applicable Subsidiary and are fully paid and non-assessable.

2.28 Related Party Transactions. There are no business relationships or related party transactions involving the Company or any other person required to be described in the Registration Statement, the Pricing Disclosure Package and the Prospectus that have not been described as required.

2.29 Board of Directors. The board of directors of the Company (the “Board of Directors” or “Board”) is comprised of the persons set forth under the heading incorporated by reference into the Pricing Prospectus and the Prospectus captioned “Management.” The qualifications of the persons serving as board members and the overall composition of the Board comply with the Exchange Act, the Exchange Act Regulations, the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder (the “**Sarbanes-Oxley Act**”) applicable to the Company and the listing rules of the Exchange. At least one member of the Audit Committee of the Board of Directors of the Company qualifies as an “audit committee financial expert,” as such term is defined under Regulation S-K and the listing rules of the Exchange. In addition, at least a majority of the persons serving on the Board of Directors qualify as “independent,” as defined under the listing rules of the Exchange.

2.30 Sarbanes-Oxley Compliance.

2.30.1 Disclosure Controls. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company has developed and currently maintains disclosure controls and procedures that comply with Rule 13a-15 or 15d-15 under the Exchange Act Regulations applicable to it, and such controls and procedures are effective to ensure that all material information concerning the Company will be made known on a timely basis to the individuals responsible for the preparation of the Company’s Exchange Act filings and other public disclosure documents.

2.30.2 Compliance. The Company is, or at the Applicable Time and on the Closing Date will be, in material compliance with the provisions of the Sarbanes-Oxley Act applicable to it, and has implemented or will implement such programs and taken reasonable steps to ensure the Company’s future compliance (not later than the relevant statutory and regulatory deadlines therefor) with all of the material provisions of the Sarbanes-Oxley Act.

2.31 Accounting Controls. The Company and its Subsidiaries maintain systems of “internal control over financial reporting” (as defined under Rules 13a-15 and 15d-15 under the Exchange Act Regulations) that comply in all material respects with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company is not aware of any material weaknesses in its internal controls. The Company’s auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses, if any, in the design or operation of internal controls over financial reporting which are known to the Company’s management and that have adversely affected or are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and (ii) any fraud known to the Company’s management, whether or not material, that involves management or other employees who have a significant role in the Company’s internal controls over financial reporting.

2.32 No Investment Company Status. The Company is not and, after giving effect to the Offering and the application of the proceeds thereof as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be, required to register as an “investment company,” as defined in the Investment Company Act of 1940, as amended.

2.33 No Labor Disputes. No labor dispute with the employees of the Company or any of its Subsidiaries exists or, to the knowledge of the Company, is threatened.

2.34 Intellectual Property Rights. The Company and each of its Subsidiaries owns or possesses or has valid rights to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, inventions, trade secrets and similar rights (“**Intellectual Property Rights**”) necessary for the conduct of the business of the Company and its Subsidiaries as currently carried on and as described in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, to the knowledge of the Company, no action or use by the Company or any of its Subsidiaries necessary for the conduct of its business as currently carried on and as described in the Registration Statement and the Prospectus will involve or give rise to any infringement of, or license or similar fees for, any Intellectual Property Rights of others. Except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus, to the knowledge of the Company, neither the Company nor any of its Subsidiaries has received any written notice alleging any such infringement, fee or conflict with asserted Intellectual Property Rights of others. Except as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change (A) to the knowledge of the Company, there is no infringement, misappropriation or violation by third parties of any of the Intellectual Property Rights owned by the Company; (B) there is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or claim by others challenging the rights of the Company in or to any such Intellectual Property Rights, and the Company is unaware of any facts which would form a reasonable basis for any such claim, that would, individually or in the aggregate, together with any other claims in this Section 2.34, reasonably be expected to result in a Material Adverse Change; (C) the Intellectual Property Rights owned by the Company and, to the knowledge of the Company, the Intellectual Property Rights licensed to the Company have not been adjudged by a court of competent jurisdiction invalid or unenforceable, in whole or in part, and there is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property Rights, and the Company is unaware of any facts which would form a reasonable basis for any such claim that would, individually or in the aggregate, together with any other claims in this Section 2.34, reasonably be expected to result in a Material Adverse Change; and (D) there is no pending or, to the Company’s knowledge, threatened action, suit, proceeding or claim by others that the Company infringes, misappropriates or otherwise violates any Intellectual Property Rights or other proprietary rights of others, the Company has not received any written notice of such claim and the Company is unaware of any other facts which would form a reasonable basis for any such claim that would, individually or in the aggregate, together with any other claims in this Section 2.34, reasonably be expected to result in a Material Adverse Change. In addition, to the Company’s knowledge, no employee of the Company is in or has ever been in violation of any term of any employment contract, patent disclosure agreement, invention assignment agreement, non-competition agreement, non-solicitation agreement, nondisclosure agreement or any restrictive covenant to or with a former employer where the basis of such violation relates to such employee’s employment with the Company, or actions undertaken by the employee while employed with the Company and could reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change. To the Company’s knowledge, all material trade secrets developed by and belonging to the Company which have not been patented have been kept confidential. The Company is not a party to or bound by any options, licenses or agreements with respect to the Intellectual Property Rights of any other person or entity that are required to be set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus and are not described therein. The Registration Statement, the Pricing Disclosure Package and the Prospectus contain in all material respects the same description of the matters set forth in the preceding sentence. None of the technology employed by the Company has been obtained or is being used by the Company in violation of any contractual obligation binding on the Company or, to the Company’s knowledge, any of its officers, directors or employees, or otherwise in violation of the rights of any persons, where such violation could reasonably be expected to be a Material Adverse Change.

2.35 Taxes. Each of the Company and its Subsidiaries has filed all returns (as hereinafter defined) required to be filed with taxing authorities prior to the date hereof or has duly obtained extensions of time for the filing thereof. Each of the Company and its Subsidiaries has paid all taxes (as hereinafter defined) shown as due on such returns that were filed and has paid all taxes imposed on or assessed against the Company or such respective Subsidiary, except (i) such taxes the Company or a Subsidiary is challenging in good faith and (ii) could not reasonably be expected to have a Material Adverse Change. The provisions for taxes payable, if any, shown on the financial statements filed with or as part of the Registration Statement are sufficient for all accrued and unpaid taxes, whether or not disputed, and for all periods to and including the dates of such consolidated financial statements. Except as disclosed in writing to the Underwriter or as could not reasonably be expected to result in a Material Adverse Change, (i) no issues have been raised (and are

currently pending) by any taxing authority in connection with any of the returns or taxes asserted as due from the Company or its Subsidiaries, and (ii) no waivers of statutes of limitation with respect to the returns or collection of taxes have been given by or requested from the Company or its Subsidiaries. The term “**taxes**” means all federal, state, local, foreign and other net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto. The term “**returns**” means all returns, declarations, reports, statements and other documents required to be filed in respect to taxes.

2.36 ERISA Compliance. The Company and any “employee benefit plan” (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, “**ERISA**”)) established or maintained by the Company or its “ERISA Affiliates” (as defined below) are in compliance in all material respects with ERISA. “**ERISA Affiliate**” means, with respect to the Company, any member of any group of organizations described in Sections 414(b),(c),(m) or (o) of the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the “**Code**”) of which the Company is a member. No “reportable event” (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any “employee benefit plan” established or maintained by the Company or any of its ERISA Affiliates. No “employee benefit plan” established or maintained by the Company or any of its ERISA Affiliates, if such “employee benefit plan” were terminated, would have any “amount of unfunded benefit liabilities” (as defined under ERISA). Neither the Company nor any of its ERISA Affiliates has incurred or reasonably expects to incur any material liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any “employee benefit plan” or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each “employee benefit plan” established or maintained by the Company or any of its ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and, to the knowledge of the Company, nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.

2.37 Compliance with Laws. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, or as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Change, the Company: (A) is and at all times has been in compliance with all statutes, rules, or regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, marketing, labeling, promotion, sale, offer for sale, storage, import, export or disposal of any product manufactured or distributed by the Company (“**Applicable Laws**”); (B) has not received any FDA Form 483, notice of adverse finding, warning letter, untitled letter or other correspondence or written notice from the U.S. Food and Drug Administration or any other Governmental Entity alleging or asserting noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws (“**Authorizations**”); (C) possesses all Authorizations and such material Authorizations are valid and in full force and effect and are not in material violation of any term of any such Authorizations; (D) has not received written notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any Governmental Entity or third party alleging that any is in violation of any Applicable Laws or Authorizations and has no knowledge that any such Governmental Entity or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding; (E) has not received notice that any Governmental Entity has taken, is taking or intends to take action to limit, suspend, modify or revoke any Authorizations and has no knowledge that any such Governmental Entity is considering such action; (F) has filed, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete and correct in all material respects on the date filed (or were corrected or supplemented by a subsequent submission); and (G) has not, either voluntarily or involuntarily, initiated, conducted, or issued or caused to be initiated, conducted or issued, any recall, market withdrawal or replacement, safety alert, post-sale warning, “dear doctor” letter, or other notice or action relating to the alleged lack of safety or efficacy of any product or any alleged product defect or violation and, to the Company’s knowledge, no third party has initiated, conducted or intends to initiate any such notice or action.

2.38 Ineligible Issuer. At the time of filing the Registration Statement and any post-effective amendment thereto, at the time of effectiveness of the Registration Statement and any amendment thereto, at the earliest time thereafter that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the Securities Act Regulations) of the Public Securities and at the date hereof, the Company was not and is not an “ineligible issuer,” as defined in Rule 405, without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an ineligible issuer.

2.39 [Reserved]

2.40 Industry Data. The statistical and market-related data included in or incorporated by reference in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus are based on or derived from sources that the Company reasonably and in good faith believes are reliable and accurate or represent the Company’s good faith estimates that are made on the basis of data derived from such sources.

2.41 Margin Securities. The Company owns no “margin securities” as that term is defined in Regulation U of the Board of Governors of the Federal Reserve System (the “**Federal Reserve Board**”), and none of the proceeds of Offering will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Common Shares to be considered a “purpose credit” within the meanings of Regulation T, U or X of the Federal Reserve Board.

2.42 Exchange Act Reports. The Company has filed in a timely manner all reports required to be filed pursuant to Sections 13(a), 13(e), 14 and 15(d) of the Exchange Act during the preceding twelve (12) months (except to the extent that Section 15(d) requires reports to be filed pursuant to Sections 13(d) and 13(g) of the Exchange Act, which shall be governed by the next clause of this sentence); and the Company has filed in a timely manner all reports required to be filed pursuant to Sections 13(d) and 13(g) of the Exchange Act since November 30, 2015, except where the failure to timely file could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Change.

2.43 Electronic Road Show. The Company has made available a Bona Fide Electronic Road Show in compliance with Rule 433(d)(8)(ii) of the Securities Act Regulations such that no filing of any “road show” (as defined in Rule 433(h) of the Securities Act Regulations) is required in connection with the Offering.

2.44 Integration. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause the Offering to be integrated with prior offerings by the Company for purposes of the Securities Act that would require the registration of any such securities under the Securities Act.

2.45 Title to Real and Personal Property. The Company owns or leases all such properties as are necessary to the conduct of its business as presently operated and as proposed to be operated as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus. The Company has good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by it, in each case free and clear of any and all Liens except such as are described in the Registration Statement, the Pricing Disclosure Package and the Prospectus or such as do not (individually or in the aggregate) materially affect the value of such property or materially interfere with the use made or proposed to be made of such property by the Company; and any real property and buildings held under lease or sublease by the Company are held by them under valid, subsisting and enforceable leases with such exceptions as are not material to, and do not materially interfere with, the use made and proposed to be made of such property and buildings by the Company. The Company has not received any notice of any claim adverse to its ownership of any real or personal property or of any claim against the continued possession of any real property, whether owned or held under lease or sublease by the Company.

2.46 Confidentiality and Non-Competitions. To the Company's knowledge, no director, officer, key employee or consultant of the Company is subject to any confidentiality, non-disclosure, non-competition agreement or non-solicitation agreement with any employer or prior employer that could affect his ability to be and act in his respective capacity of the Company or be expected to result in a Material Adverse Change.

2.47 Corporate Records. The minute books of the Company have been made available to the Underwriter and Underwriter's Counsel, and such books (i) contain minutes of all material meetings and actions of the Board (including each Board committee) and stockholders of the Company, and (ii) reflect all material transactions referred to in such minutes.

2.48 No Stabilization. Neither the Company nor any of its affiliates (within the meaning of Rule 144 under the Securities Act) has taken, directly or indirectly, any action which constitutes or is designed to cause or result in, or which could reasonably be expected to constitute, cause or result in, the stabilization or manipulation of the price of any security to facilitate the sale or resale of the Public Securities or to result in a violation of Regulation M under the Exchange Act.

2.49 Environmental Laws. The Company and its Subsidiaries are in compliance with all foreign, federal, state and local rules, laws and regulations relating to the use, treatment, storage and disposal of hazardous or toxic substances or waste and protection of health and safety or the environment which are applicable to their businesses ("**Environmental Laws**"), except where the failure to comply would not, singularly or in the aggregate, result in a Material Adverse Change. There has been no storage, generation, transportation, handling, treatment, disposal, discharge, emission, or other release of any kind of toxic or other wastes or other hazardous substances by, due to, or caused by the Company or any of its Subsidiaries (or, to the Company's knowledge, any other entity for whose acts or omissions the Company or any of its Subsidiaries is or may otherwise be liable) upon any of the property now or previously owned or leased by the Company or any of its Subsidiaries, or upon any other property, in violation of any law, statute, ordinance, rule, regulation, order, judgment, decree or permit or which would, under any law, statute, ordinance, rule (including rule of common law), regulation, order, judgment, decree or permit, give rise to any liability, except for any violation or liability which would not have, singularly or in the aggregate with all such violations and liabilities, a Material Adverse Change; and there has been no disposal, discharge, emission or other release of any kind onto such property or into the environment surrounding such property of any toxic or other wastes or other hazardous substances with respect to which the Company has knowledge, except for any such disposal, discharge, emission, or other release of any kind which would not have, singularly or in the aggregate with all such discharges and other releases, a Material Adverse Change.

2.50 Regulatory Permits. The Company and its Subsidiaries have such permits, licenses, clearances, registrations, exemptions, patents, franchises, certificates of need and other approvals, consents and other authorizations ("**Permits**") issued by the appropriate domestic or foreign regional, federal, state, or local regulatory agencies or bodies necessary to conduct the business of the Company, including, without limitation, any Investigational New Drug Application (an "**IND**"), Biologics License Application ("**BLA**") and/or New Drug Application (an "**NDA**"), as required by the FDA, the Drug Enforcement Administration (the "**DEA**"), or any other Permits issued by domestic or foreign regional, federal, state, or local agencies or bodies engaged in the regulation of pharmaceuticals such as those being developed by the Company and its Subsidiaries (collectively, the "**Regulatory Permits**"), except for any of the foregoing that would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Change; the Company is in compliance in all material respects with the requirements of the Regulatory Permits, and all of such Regulatory Permits are valid and in full force and effect; the Company has not received any notice of proceedings relating to the revocation, termination, modification or impairment of rights of any of the Regulatory Permits that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to result in a Material Adverse Change; the Company has not failed to submit to the FDA any IND, BLA or NDA necessary to conduct the business of the Company, any such filings that were required to be made were in material compliance with applicable laws when filed, and no material deficiencies have been asserted by the FDA with respect to any such filings or submissions that were made.

2.51 Regulatory Filings. Neither the Company nor its Subsidiaries has failed to file with the applicable regulatory authorities (including, without limitation, the FDA, or any foreign, federal, state, provincial or local governmental or regulatory authority performing functions similar to those performed by the FDA) any required filing, declaration, listing, registration, report or submission, except for such failures that, individually or in the aggregate, would not have a Material Adverse Change; except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, all such filings, declarations, listings, registrations, reports or submissions were in compliance with applicable laws when filed and no deficiencies have been asserted by any applicable regulatory authority with respect to any such filings, declarations, listings, registrations, reports or submissions, except for any deficiencies that, individually or in the aggregate, would not have a Material Adverse Change.

2.52 Compliance with Health Care Laws. Each of the Company and its Subsidiaries is, and at all times has been, in compliance in all material respects with all applicable Health Care Laws, and has not engaged in activities which are, as applicable, cause for false claims liability, civil penalties, or mandatory or permissive exclusion from Medicare, Medicaid, or any other state or federal health care program. For purposes of this Agreement, “Health Care Laws” means: (i) the Federal Food, Drug, and Cosmetic Act (21 U.S.C. §§ 301 et seq.), the Public Health Service Act (42 U.S.C. §§ 201 et seq.), and the regulations promulgated thereunder; (ii) all applicable federal, state, local and all applicable foreign health care related fraud and abuse laws, including, without limitation, the U.S. Anti-Kickback Statute (42 U.S.C. Section 1320a-7b(b)), the U.S. Physician Payment Sunshine Act (42 U.S.C. § 1320a-7h), the U.S. Civil False Claims Act (31 U.S.C. Section 3729 et seq.), the criminal False Claims Law (42 U.S.C. § 1320a-7b(a)), all criminal laws relating to health care fraud and abuse, including, but not limited to, 18 U.S.C. Sections 286 and 287, and the health care fraud criminal provisions under the U.S. Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) (42 U.S.C. Section 1320d et seq.), the exclusion laws (42 U.S.C. § 1320a-7), the civil monetary penalties law (42 U.S.C. § 1320a-7a), HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. Section 17921 et seq.), and the regulations promulgated pursuant to such statutes; (iii) Medicare (Title XVIII of the Social Security Act); (iv) Medicaid (Title XIX of the Social Security Act); (v) the Controlled Substances Act (21 U.S.C. §§ 801 et seq.) and the regulations promulgated thereunder; and (vi) any and all other applicable health care laws and regulations. Neither the Company nor, to the knowledge of the Company, any subsidiary has received notice of any claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any court or arbitrator or governmental or regulatory authority or third party alleging that any it or any Subsidiary is in material violation of any Health Care Laws, and, to the Company’s knowledge, no such claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action is threatened. Neither the Company nor, to the knowledge of the Company, any Subsidiary is a party to or has any ongoing reporting obligations pursuant to any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements with or imposed by any governmental or regulatory authority. Additionally, neither the Company, its Subsidiaries nor any of its respective employees, officers or directors has been excluded, suspended or debarred from participation in any U.S. federal health care program or human clinical research or, to the knowledge of the Company, is subject to a governmental inquiry, investigation, proceeding, or other similar action that could reasonably be expected to result in debarment, suspension, or exclusion.

2.53 Studies. The clinical, pre-clinical and other studies and tests conducted by or on behalf of or sponsored by the Company or its subsidiaries that are described or referred to in the Registration Statement, the Pricing Disclosure Package and the Prospectus were and, if still pending, are being conducted in accordance in all material respects with all statutes, laws, rules and regulations, as applicable (including, without limitation, those administered by the FDA or by any foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA). The descriptions of the results of such studies and tests that are described or referred to in the Registration Statement, the Pricing Disclosure Package and the Prospectus are accurate and complete in all material respects and fairly present the published data derived from such studies and tests, and each of the Company and its subsidiaries 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 Registration Statement, the Pricing Disclosure Package and the Prospectus. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, neither the Company nor its subsidiaries has received any notices or other correspondence from the FDA or any other foreign, federal, state or local governmental or regulatory authority performing functions similar to those performed by the FDA with respect to any ongoing clinical or pre-clinical studies or tests requiring the termination or suspension of such studies or tests. For the avoidance of doubt, the Company makes no representation or warranty that the results of any studies, tests or preclinical or clinical trials conducted by or on behalf of the Company will be sufficient to obtain governmental approval from the FDA or any foreign, state or local governmental body exercising comparable authority.

2.54 eXtensible Business Reporting Language. The interactive data in eXtensible Business Reporting Language included in or incorporated by reference in the Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

3. Covenants of the Company. The Company covenants and agrees as follows:

3.1 Amendments to Registration Statement. The Company shall deliver to the Underwriter, prior to filing, any amendment or supplement to the Registration Statement or Prospectus proposed to be filed after the Effective Date and not file any such amendment or supplement to which the Underwriter shall reasonably object in writing.

3.2 Federal Securities Laws.

3.2.1 Compliance. The Company, subject to Section 3.2.2, shall comply with the requirements of Rule 424(b) and Rule 430A of the Securities Act Regulations, and will notify the Underwriter promptly, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement or any amendment or supplement to any Preliminary Prospectus, the Pricing Disclosure Package or the Prospectus shall have been filed and when any post-effective amendment to the Registration Statement shall become effective; (ii) of the receipt of any comments from the Commission; (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to any Preliminary Prospectus, the Pricing Disclosure Package or the Prospectus or for additional information; (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment or of any order preventing or suspending the use of any Preliminary Prospectus, the Pricing Disclosure Package or the Prospectus, or of the suspension of the qualification of the Public Securities for offering or sale in any jurisdiction, or of the initiation or, to the Company's knowledge, threatening of any proceedings for any of such purposes or of any examination pursuant to Section 8(d) or 8(e) of the Securities Act concerning the Registration Statement; and (v) if the Company becomes the subject of a proceeding under Section 8A of the Securities Act in connection with the Offering of the Public Securities and Underwriter's Securities. The Company shall effect all filings required under Rule 424(b) of the Securities Act Regulations, in the manner and within the time period required by Rule 424(b) (without reliance on Rule 424(b)(8)), and shall take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company shall use its best efforts to prevent the issuance of any stop order, prevention or suspension and, if any such order is issued, to obtain the lifting thereof at the earliest possible moment.

3.2.2 Continued Compliance. The Company shall comply with the Securities Act, the Securities Act Regulations, the Exchange Act and the Exchange Act Regulations so as to permit the completion of the distribution of the Public Securities as contemplated in this Agreement and in the Registration Statement, the Pricing Disclosure Package and the Prospectus. If at any time when a prospectus relating to the Public Securities is (or, but for the exception afforded by Rule 172 of the Securities Act Regulations ("**Rule 172**"), would be) required by the Securities Act to be delivered in connection with sales of the Public Securities, any event shall occur or condition shall exist as a result of which it is necessary, in the reasonable opinion of Underwriter's Counsel or counsel for the Company, to (i) amend the Registration Statement in order that the Registration Statement will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) amend or supplement the Pricing Disclosure Package or the Prospectus in order that the Pricing Disclosure Package or the Prospectus, as the case may be, will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser or (iii) amend the Registration Statement or amend or supplement the Pricing Disclosure Package or the Prospectus, as the case may be, in order to comply with the requirements of the Securities Act or the Securities Act Regulations, the Company will promptly (A) give the Underwriter notice of such event; (B) prepare any amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement, the Pricing Disclosure Package or the Prospectus comply with such requirements and, a reasonable amount of time prior to any proposed filing or use, furnish the Underwriter with copies of any such amendment or supplement and (C) file with the Commission any such amendment or supplement; *provided* that the Company shall not file or use any such amendment or supplement to which the Underwriter or Underwriter Counsel shall reasonably object. The Company will furnish to the Underwriter such number of copies of such amendment or supplement as the Underwriter may reasonably request. The Company has given the Underwriter notice of any filings made pursuant to the Exchange Act or the Exchange Act Regulations within forty-eight (48) hours prior to the Applicable Time. The Company shall give the Underwriter notice of its intention to make any such filing from the Applicable Time until the later of the Closing Date and the exercise in full or expiration of the Over-allotment Option specified in Section 1.2 hereof and will furnish the Underwriter with copies of the related document(s) a reasonable amount of time prior to such proposed filing, as the case may be, and will not file or use any such document to which the Underwriter or counsel for the Underwriter shall reasonably object.

3.2.3 Exchange Act Registration. So long as any of the Warrants remain outstanding, the Company shall use its commercially reasonable efforts to (A) maintain the registration of the Common Shares under the Exchange Act and (B) not deregister the Common Shares under the Exchange Act without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld. Nothing in this Section 3.2.3, however, shall prevent a sale, merger or similar transaction involving the Company.

3.2.4 Free Writing Prospectuses. The Company agrees that, unless it obtains the prior written consent of the Underwriter, it shall not make any offer relating to the Public Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a “free writing prospectus,” or a portion thereof, required to be filed by the Company with the Commission or retained by the Company under Rule 433; *provided* that the Underwriter shall be deemed to have consented to each Issuer General Use Free Writing Prospectus hereto and any “road show that is a written communication” within the meaning of Rule 433(d)(8)(i) that has been reviewed by the Underwriter. The Company represents that it has treated or agrees that it will treat each such free writing prospectus consented to, or deemed consented to, by the Underwriter as an “issuer free writing prospectus,” as defined in Rule 433, and that it has complied and will comply with the applicable requirements of Rule 433 with respect thereto, including timely filing with the Commission where required, legending and record keeping. If at any time following issuance of an Issuer Free Writing Prospectus there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information contained in the Registration Statement or included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Underwriter and will promptly amend or supplement, at its own expense, such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

3.3 Delivery to the Underwriter of Registration Statements. The Company has delivered or made available or shall deliver or make available to the Underwriter and Underwriter’s Counsel, without charge, signed copies of the Registration Statement as originally filed and each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated or deemed to be incorporated by reference therein) and signed copies of all consents and certificates of experts, and upon request will also deliver to the Underwriter, without charge, a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) for the Underwriter. The copies of the Registration Statement and each amendment thereto furnished to the Underwriter will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

3.4 Delivery to the Underwriter of Prospectuses. The Company has delivered or made available or will deliver or make available to the Underwriter, without charge, as many copies of each Preliminary Prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the Securities Act. The Company will furnish to the Underwriter, without charge, during the period when a prospectus relating to the Public Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the Securities Act, such number of copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriter will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

3.5 Effectiveness and Events Requiring Notice to the Underwriter. The Company shall, except to the extent the Company participates in a merger or other business combination transaction, use its commercially reasonable efforts to cause the Registration Statement to remain effective with a current prospectus through and including the expiration date of the Warrants (or the date all Warrants have been exercised or duly called, if earlier). The Company shall notify the Representative immediately and confirm the notice in writing: (i) of the effectiveness of the Registration Statement and any amendment thereto; (ii) of the issuance by the Commission of any stop order or of the initiation, or, to the Company’s knowledge, the threatening, of any proceeding for that purpose; (iii) of the issuance by any state securities commission of any proceedings for the suspension of the qualification of the Public Securities for offering or sale in any jurisdiction or of the initiation, or, to the Company’s knowledge, the threatening, of any proceeding for that purpose; (iv) of the mailing and delivery to the Commission for filing of any amendment or supplement to the Registration Statement or Prospectus; (v) of the receipt of any comments or request for any additional information from the Commission; and (vi) of the happening of any event during the period described in this Section 3.5 that, in the reasonable judgment of the Company, makes any statement of a material fact made in the Registration Statement, the Pricing Disclosure Package or the Prospectus untrue or that requires the making of any changes in (a) the Registration Statement in order to make the statements therein not misleading, or (b) in the Pricing Disclosure Package or the Prospectus in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Commission or any state securities commission shall enter a stop order or suspend such qualification at any time, the Company shall use its commercially reasonable effort to obtain promptly the lifting of such order.

3.6 Review of Financial Statements. For a period of five (5) years after the date of this Agreement, the Company, at its expense, shall cause its regularly engaged independent registered public accounting firm to review (but not audit) the Company's financial statements for each of the three (3) fiscal quarters immediately preceding the announcement of any quarterly financial information, provided that such provision shall not prevent a sale, merger or similar transaction involving the Company.

3.7 Listing. The Company shall use its commercially reasonable efforts to maintain the listing of the Common Shares, the Warrant Shares and the Registered Warrant Shares on the Exchange for at least five (5) years from the date of this Agreement. Nothing in this Section 3.7, however, shall prevent a sale, merger or similar transaction involving the Company.

3.8 Financial Public Relations Firm. As of the Effective Date, the Company shall have retained a financial public relations firm reasonably acceptable to the Underwriter and the Company, which firm shall be experienced in assisting issuers in public offerings of securities and in their relations with their security holders, and shall retain such firm or another firm reasonably acceptable to the Underwriter for a period of not less than two (2) years after the Effective Date.

3.9 Reports to the Underwriter.

3.9.1 Periodic Reports, etc. For a period of two (2) years after the date of this Agreement, the Company shall furnish or make available to the Underwriter upon request copies of such financial statements and other periodic and special reports as the Company from time to time furnishes generally to holders of any class of its securities and also promptly furnish to the Underwriter: (i) a copy of each periodic report the Company shall be required to file with the Commission under the Exchange Act and the Exchange Act Regulations; (ii) a copy of every press release and every news item and article with respect to the Company or its affairs which was released by the Company; (iii) a copy of each Report on Form 6-K prepared and filed by the Company; (iv) five (5) copies of each registration statement filed by the Company under the Securities Act; and (v) such additional documents and information with respect to the Company and the affairs of any future subsidiaries of the Company as the Underwriter may from time to time reasonably request; *provided* the Underwriter shall sign, if requested by the Company, a Regulation FD compliant confidentiality agreement which is reasonably acceptable to the Underwriter and Underwriter Counsel in connection with the Underwriter's receipt of such information. Documents filed with the Commission pursuant to its EDGAR system shall be deemed to have been delivered or made available to the Underwriter pursuant to this Section 3.9.1.

3.9.2 Transfer Agent: Transfer Sheets. For a period of two (2) years after the date of this Agreement, the Company shall retain a transfer agent and registrar acceptable to the Underwriter (the "**Transfer Agent**") and shall furnish to the Underwriter at the Company's sole cost and expense such transfer sheets of the Company's securities as the Underwriter may reasonably request, including the daily and monthly consolidated transfer sheets of the Transfer Agent and DTC. AST Trust Company (Canada) and American Stock Transfer & Trust Company LLC are acceptable to the Underwriter to act as Transfer Agent for the Common Shares.

3.9.3 Trading Reports. During such time as the Common Shares, the Warrant Shares and the Registered Warrant Shares are listed on the Exchange, the Company shall cooperate to make available to the Underwriter, at the Company's expense, such reports published by the Exchange relating to price trading of the Public Securities, as the Underwriter shall reasonably request. The parties acknowledge that the Exchange makes such material available without charge on the Exchange's Internet website.

3.10 Payment of Expenses. The Company covenants and agrees with the Underwriter that on the Closing Date the Company will pay or cause to be paid to the Underwriter (i) a management fee equal to one percent (1%) of the gross proceeds raised in the Offering, (ii) \$35,000 for non-accountable expenses, (iii) up to \$100,000 for invoiced fees and expenses of legal counsel and other out-of-pocket expenses, and (iv) for the services of an escrow agent and any actual out-of-pocket cost of such clearing agent settlement and financing, so long as the cost does not exceed \$10,000; provided, however, that such reimbursement amount in no way shall limit the indemnification and contribution provisions of this Agreement. The Underwriter may deduct from the net proceeds of the Offering payable to the Company on the Closing Date, or the Option Closing Date, if any, the expenses set forth herein to be paid by the Company to the Underwriter.

3.11 Application of Net Proceeds. The Company shall apply the net proceeds from the Offering received by it in a manner consistent with the application thereof described under the caption "Use of Proceeds" in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

3.12 Delivery of Earnings Statements to Security Holders. The Company shall make generally available to its security holders as soon as practicable, but not later than the first day of the fifteenth (15th) full calendar month following the date of this Agreement, an earnings statement (which need not be certified by an independent registered public accounting firm unless required by the Securities Act or the Securities Act Regulations, but which shall satisfy the provisions of Rule 158(a) under Section 11(a) of the Securities Act) covering a period of at least twelve (12) consecutive months beginning after the date of this Agreement.

3.13 Stabilization. Neither the Company nor, to its knowledge, any of its employees, directors or shareholders (without the consent of the Underwriter) has taken or shall take, directly or indirectly, any action designed to or that has constituted or that might reasonably be expected to cause or result in, under Regulation M of the Exchange Act, or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Public Securities.

3.14 Internal Controls. Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company shall maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary in order to permit preparation of financial statements in accordance with GAAP and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.15 Accountants. As of the date of this Agreement, the Company shall retain an independent registered public accounting firm reasonably acceptable to the Underwriter, and the Company shall continue to retain a nationally recognized independent registered public accounting firm for a period of at least three (3) years after the date of this Agreement. The Underwriter acknowledges that MNP LLP is acceptable to the Underwriter.

3.16 FINRA. For a period of 90 days from the Closing Date, the Company shall advise the Underwriter (who shall make an appropriate filing with FINRA) if it is or becomes aware that (i) any officer or director of the Company, (ii) any beneficial owner of 5% or more of any class of the Company's securities or (iii) any beneficial owner of the Company's unregistered equity securities which were acquired during the 180 days immediately preceding the filing of the Registration Statement is or becomes an affiliate or associated person of a FINRA member participating in the Offering (as determined in accordance with the rules and regulations of FINRA).

3.17 No Fiduciary Duties. The Company acknowledges and agrees that the Underwriter's responsibility to the Company is solely contractual in nature and that none of the Underwriter or their affiliates or any selling agent shall be deemed to be acting in a fiduciary capacity, or otherwise owes any fiduciary duty to the Company or any of its affiliates in connection with the Offering and the other transactions contemplated by this Agreement.

3.18 Company Lock-Up Agreements.

3.18.1 Restriction on Sales of Capital Stock. The Company, on behalf of itself and any successor entity, agrees that, without the prior written consent of the Underwriter, it will not, for a period of ninety (90) days after the date of this Agreement (the “**Lock-Up Period**”), (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; (ii) file or cause to be filed any registration statement with the Commission relating to the offering of any shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company; or (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of capital stock of the Company, whether any such transaction described in clause (i), (ii) or (iii) above is to be settled by delivery of shares of capital stock of the Company or such other securities, in cash or otherwise.

The restrictions contained in this Section 3.18.1 shall not apply to (i) the Common Shares, Firm Warrants, Option Warrants, Pre-Funded Warrants or Underwriter’s Warrants to be sold hereunder, (ii) the issuance by the Company of Common Shares upon the exercise of a stock option or warrant or the conversion of a security outstanding on the date hereof, which is disclosed in the Registration Statement, Pricing Disclosure Package and Prospectus, or pursuant to the exercise of the Pre-Funded Warrants, (iii) the issuance by the Company of stock options or shares of capital stock of the Company to employees, officers and directors of the Company pursuant to any existing equity compensation plan of the Company, or (iv) shares of capital stock of the Company or securities convertible into shares of capital stock of the Company that are issued as consideration in an acquisition, merger or similar strategic transaction approved by a majority of the disinterested directors of the Company, provided that such securities are issued as “restricted securities” (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith within ninety (90) days after the date of this Agreement, and provided that any such issuance shall only be to a person (or to the equity holders of a person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

3.18.2 Restriction on Continuous Offerings. Notwithstanding the restrictions contained in Section 3.18.1, the Company, on behalf of itself and any successor entity, agrees that, without the prior written consent of the Underwriter, it will not, for a period of two (2) years after the date of this Agreement, directly or indirectly in any “at-the-market” or continuous equity transaction, offer to sell, sell, contract to sell, grant any option to sell or otherwise dispose of shares of capital stock of the Company or any securities convertible into or exercisable or exchangeable for shares of capital stock of the Company.

3.19. Variable Rate Transactions. From the date hereof until the five-year anniversary of the Closing Date, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of Common Share or Common Share equivalents (or a combination of units thereof) involving a Variable Rate Transaction. “Variable Rate Transaction” means a transaction in which the Company enters into, or effects a transaction under an at-the-market offering agreement, whereby the Company may issue securities at a future determined price. Notwithstanding the foregoing, on or after the two-year anniversary of the Closing Date, the Company may enter into an at-the-market offering agreement. The Underwriter shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

3.20 Blue Sky Qualifications. The Company shall use its commercially reasonable efforts, in cooperation with the Underwriter, if necessary, to qualify the Public Securities for offering and sale under the applicable securities laws of such states and other jurisdictions (domestic or foreign) as the Underwriter may designate with the consent of the Company and to maintain such qualifications in effect so long as required to complete the distribution of the Public Securities; *provided, however*, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject.

3.21 Reporting Requirements. The Company, during the period when a prospectus relating to the Public Securities is (or, but for the exception afforded by Rule 172, would be) required to be delivered under the Securities Act, will file all documents required to be filed with the Commission pursuant to the Exchange Act within the time periods required by the Exchange Act and Exchange Act Regulations.

3.22 Press Releases. Prior to the Closing Date and any Option Closing Date, the Company shall not issue any press release or other communication directly or indirectly or hold any press conference with respect to the Company, its condition, financial or otherwise, or earnings, business affairs or business prospects (except for routine oral marketing communications in the ordinary course of business and consistent with the past practices of the Company and of which the Underwriter is notified), without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld, unless in the judgment of the Company and its counsel, and after notification to the Underwriter, such press release or communication is required by law.

3.23 Sarbanes-Oxley. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company shall at all times comply with all applicable provisions of the Sarbanes-Oxley Act in effect from time to time.

4. Conditions of Underwriter's Obligations. The obligations of the Underwriter to purchase and pay for the Public Securities, as provided herein, shall be subject to (i) the continuing accuracy of the representations and warranties of the Company as of the date hereof and as of each of the Closing Date and the Option Closing Date, if any; (ii) the accuracy of the statements of officers of the Company made pursuant to the provisions hereof; (iii) the performance by the Company in all material respects of its obligations hereunder; and (iv) the following conditions:

4.1 Regulatory Matters.

4.1.1 Effectiveness of Registration Statement; Rule 430A Information. The Registration Statement has been declared effective by the Commission under the Securities Act and, at each of the Closing Date and any Option Closing Date, no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto has been issued under the Securities Act, no order preventing or suspending the use of any Preliminary Prospectus or the Prospectus has been issued and no proceedings for any of those purposes have been instituted or are pending or, to the Company's knowledge, contemplated by the Commission. The Company has complied with each request (if any) from the Commission for additional information. The Prospectus containing the Rule 430A Information shall have been filed with the Commission in the manner and within the time frame required by Rule 424(b) (without reliance on Rule 424(b)(8)) or a post-effective amendment providing such information shall have been filed with, and declared effective by, the Commission in accordance with the requirements of Rule 430A. At the time of such filing, the Company met the requirements of Form F-1 under the Securities Act. The Registration Statement meets the requirements set forth in Rule 415(a)(1)(iii) under the Securities Act with respect to the Warrant Shares and the Registered Warrant Shares and complies with said Rule.

4.1.2 FINRA Clearance. On or before the date of this Agreement, the Underwriter shall have received clearance from FINRA as to the amount of compensation allowable or payable to the Underwriter as described in the Registration Statement.

4.1.3 Exchange Stock Market Clearance. On or before the Closing Date, (i) the Listing of Additional Shares Notification Form shall have been submitted to The Nasdaq Capital Market with respect to the Public Securities (including the Warrant Shares and the Registered Warrant Shares) and (ii) the Company shall have received conditional listing approval of the Toronto Stock Exchange with respect to the listing on such exchange of the Firm Shares, Option Shares and Registered Warrant Shares, subject to official notice of issuance and the filing of all required documentation.

4.2 Company Counsel Matters.

4.2.1 Closing Date Opinion of Counsel. On the Closing Date, the Underwriter shall have received the favorable opinion of Buchanan Ingersoll & Rooney PC, U.S. counsel to the Company and Gowling WLG (Canada) LLP, Canadian counsel to the Company, dated the Closing Date and addressed to the Underwriter, in a form reasonably acceptable to the Underwriter.

4.2.2 Option Closing Date Opinions of Counsel. On the Option Closing Date, if any, the Underwriter shall have received the favorable opinions of each counsel listed in Section 4.2.1, dated the Option Closing Date, addressed to the Underwriter and in form and substance reasonably satisfactory to the Underwriter, confirming as of the Option Closing Date, the statements made by such counsels in their respective opinions delivered on the Closing Date.

4.2.3 Reliance. In rendering such opinions, such counsel may rely: (i) as to matters involving the application of laws other than the laws of the United States, Canada and jurisdictions in which they are admitted, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to the Underwriter) of other counsel reasonably acceptable to the Underwriter, familiar with the applicable laws; and (ii) as to matters of fact, to the extent they deem proper, on certificates or other written statements of officers of the Company and officers of departments of various jurisdictions having custody of documents respecting the corporate existence or good standing of the Company; *provided* that copies of any such statements or certificates shall be delivered to Underwriter Counsel if requested. The opinions of Buchanan Ingersoll & Rooney PC and Gowling WLG (Canada) LLP, and any opinions relied upon by Buchanan Ingersoll & Rooney PC and Gowling WLG (Canada) LLP, respectively, shall include a statement to the effect that it may be relied upon by Underwriter Counsel in its opinion delivered to the Underwriter.

4.3 Comfort Letters.

4.3.1 Cold Comfort Letter. At the time this Agreement is executed the Underwriter shall have received a cold comfort letter from the Auditor containing statements and information of the type customarily included in accountants' comfort letters with respect to the financial statements and certain financial information contained or incorporated or deemed incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, addressed to the Underwriter and in form and substance satisfactory in all respects to you and to the Auditor, dated as of the date of this Agreement.

4.3.2 Bring-down Comfort Letter. At each of the Closing Date and the Option Closing Date, if any, the Underwriter shall have received from the Auditor a letter, dated as of the Closing Date or the Option Closing Date, as applicable, to the effect that the Auditor reaffirms the statements made in the letter furnished pursuant to Section 4.3.1, except that the specified date referred to shall be a date not more than three (3) business days prior to the Closing Date or the Option Closing Date, as applicable.

4.4 Officers' Certificates.

4.4.1 Officers' Certificate. The Company shall have furnished to the Underwriter a certificate, dated the Closing Date and any Option Closing Date (if such date is other than the Closing Date), of its Chief Executive Officer and its Chief Financial Officer stating that (i) such officers have carefully examined the Registration Statement, the Pricing Disclosure Package, any Issuer Free Writing Prospectus and the Prospectus and, to their knowledge, the Registration Statement and each amendment thereto, as of the Applicable Time and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date) did not include any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Pricing Disclosure Package, as of the Applicable Time and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), any Issuer Free Writing Prospectus as of its date and as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), and the Prospectus and each amendment or supplement thereto, as of the respective date thereof and as of the Closing Date, did not include any untrue statement of a material fact and did not omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances in which they were made, not misleading, (ii) since the Applicable Time, no event has occurred which should have been set forth in a supplement or amendment to the Registration Statement, the Pricing Disclosure Package or the Prospectus, (iii) to their knowledge after reasonable investigation, as of the Closing Date (or any Option Closing Date if such date is other than the Closing Date), the representations and warranties of the Company in this Agreement are true and correct in all material respects (except for those representations and warranties qualified as to materiality, which shall be true and correct in all respects and except for those representations and warranties which refer to facts existing at a specific date, which shall be true and correct as of such date) and the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date (or any Option Closing Date if such date is other than the Closing Date), and (iv) there has not been, subsequent to the date of the most recent audited financial statements included or incorporated by reference in the Pricing Disclosure Package, any Material Adverse Change in the financial position or results of operations of the Company, or any change or development that, singularly or in the aggregate, would reasonably be expected to involve a Material Adverse Change, in or affecting the condition (financial or otherwise), results of operations, business, assets or prospects of the Company, except as set forth in the Prospectus.

4.4.2 Secretary's Certificate. At each of the Closing Date and the Option Closing Date, if any, the Underwriter shall have received a certificate of the Company signed by the Secretary of the Company, dated the Closing Date or the Option Date, as the case may be, respectively, certifying: (i) that each of the Charter and Bylaws is true and complete, has not been modified and is in full force and effect; (ii) that the resolutions of the Company's Board of Directors relating to the Offering are in full force and effect and have not been modified; (iii) as to the accuracy and completeness of all correspondence between the Company or its counsel and the Commission; and (iv) as to the incumbency of the officers of the Company. The documents referred to in such certificate shall be attached to such certificate.

4.5 No Material Changes. Prior to and on each of the Closing Date and each Option Closing Date, if any: (i) there shall have been no Material Adverse Change from the latest dates as of which such condition is set forth in the Registration Statement and no change in the authorized capital stock or debt of the Company, the Pricing Disclosure Package and the Prospectus; (ii) no action, suit or proceeding, at law or in equity, shall have been pending or threatened against the Company or any director or officer before or by any court or federal or state commission, board or other administrative agency wherein an unfavorable decision, ruling or finding which could reasonably be expected to cause a Material Adverse Change, except as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus; (iii) no stop order shall have been issued under the Securities Act and no proceedings therefor shall have been initiated or threatened by the Commission; (iv) no action shall have been taken and no law, statute, rule, regulation or order shall have been enacted, adopted or issued by any Governmental Entity which would prevent the issuance or sale of the Public Securities or could reasonably be expected to result in a Material Adverse Change; (v) no injunction, restraining order or order of any other nature by any federal or state court of competent jurisdiction shall have been issued which would prevent the issuance or sale of the Public Securities or result, or potentially result in a Material Adverse Change; business or operations of the Company; and (vi) the Registration Statement, the Pricing Disclosure Package and the Prospectus and any amendments or supplements thereto shall contain all material statements which are required to be stated therein in accordance with the Securities Act and the Securities Act Regulations and shall conform in all material respects to the requirements of the Securities Act and the Securities Act Regulations, and neither the Registration Statement, the Pricing Disclosure Package nor the Prospectus nor any amendment or supplement thereto shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.6 No Material Misstatement or Omission. The Underwriter shall not have discovered and disclosed to the Company on or prior to the Closing Date and any Option Closing Date that the Registration Statement or any amendment or supplement thereto contains an untrue statement of a fact which, in the opinion of Underwriter Counsel, is material or omits to state any fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading, or that the Registration Statement, Pricing Disclosure Package or the Prospectus or any amendment or supplement thereto contains an untrue statement of fact which, in the opinion of such counsel, is material or omits to state any fact which, in the opinion of such counsel, is material and is necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading.

4.7 Delivery of Agreements.

4.7.1 Lock-Up Agreements. On or before the date of this Agreement, the Company shall have delivered to the Underwriter executed copies of the Lock-Up Agreements from each of the persons listed in Schedule 2 hereto.

4.7.2 Pre-Funded Warrant Agreements. On the Closing Date, the Company shall have delivered to the Underwriter executed copies of the Pre-Funded Warrant Agreements.

4.7.3 Warrant Agreements. On the Closing Date and each Option Closing Date if applicable, the Company shall have delivered to the Underwriter executed copies of the Warrant Agreements.

4.7.4 Underwriter's Warrant Agreement. On the Closing Date and each Option Closing Date if applicable, the Company shall have delivered to the Underwriter executed copies of the Underwriter's Warrant Agreement.

4.8 Additional Documents. At the Closing Date and at each Option Closing Date (if any) Underwriter Counsel shall have been furnished with such documents and opinions as they may reasonably require for the purpose of enabling Underwriter Counsel to deliver an opinion to the Underwriter, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Public Securities and the Underwriter's Securities as herein contemplated shall be satisfactory in form and substance to the Underwriter and Underwriter Counsel.

5. Indemnification.

5.1 Indemnification of the Underwriter.

5.1.1 General. Subject to the conditions set forth below, the Company agrees to indemnify and hold harmless the Underwriter, its affiliates and each of its and their respective directors, officers, members, employees, representatives and agents and each person, if any, who controls any such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively the "**Underwriter Indemnified Parties**," and each an "**Underwriter Indemnified Party**"), against any and all loss, liability, claim, damage and expense whatsoever (including but not limited to any and all legal or other expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, whether arising out of any action between any of the Underwriter Indemnified Parties and the Company or between any of the Underwriter Indemnified Parties and any third party, or otherwise) to which they or any of them may become subject under the Securities Act, the Exchange Act or any other statute or at common law or otherwise or under the laws of foreign countries, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in (i) the Registration Statement, the Pricing Disclosure Package, the Preliminary Prospectus, the Prospectus or in any Issuer Free Writing Prospectus (as from time to time each may be amended and supplemented); (ii) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the Offering, including any "road show" or investor presentations made to investors by the Company (whether in person or electronically); or (iii) any application or other document or written communication (in this Section 5, collectively called "**application**") executed by the Company or based upon written information furnished by the Company in any jurisdiction in order to qualify the Public Securities under the securities laws thereof or filed with the Commission, any state securities commission or agency, the Exchange or any other national securities exchange; or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission was made in reliance upon, and in conformity with, the Underwriter's Information. With respect to any untrue statement or omission or alleged untrue statement or omission made in the Pricing Disclosure Package, the indemnity agreement contained in this Section 5.1.1 shall not inure to the benefit of any Underwriter Indemnified Party to the extent that any loss, liability, claim, damage or expense of such Underwriter Indemnified Party results from the fact that a copy of the Prospectus was not given or sent to the person asserting any such loss, liability, claim or damage at or prior to the written confirmation of sale of the Public Securities to such person as required by the Securities Act and the Securities Act Regulations, and if the untrue statement or omission has been corrected in the Prospectus, unless such failure to deliver the Prospectus was a result of non-compliance by the Company with its obligations under Section 3.3 hereof.

5.1.2 Procedure. If any action is brought against an Underwriter Indemnified Party in respect of which indemnity may be sought against the Company pursuant to Section 5.1.1, such Underwriter Indemnified Party shall promptly notify the Company in writing of the institution of such action and the Company shall assume the defense of such action, including the employment and fees and expenses of counsel (subject to the reasonable approval of such Underwriter Indemnified Party) and payment of actual expenses. Such Underwriter Indemnified Party shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Underwriter Indemnified Party unless (i) the employment of such counsel at the expense of the Company shall have been authorized in writing by the Company in connection with the defense of such action, (ii) the Company shall not have employed counsel to have charge of the defense of such action promptly after notice of commencement of the action, (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Company (in which case the Company shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), (iv) such indemnified party or parties shall have reasonably concluded that a conflict or potential conflict exists (based on advice of counsel to such indemnified party) between the indemnified party or parties and the indemnifying party or (v) the Company has not employed counsel reasonably satisfactory to such indemnified party to assume the defense of such action in any of which events the

reasonable fees and expenses of not more than one additional firm of attorneys selected by the Underwriter Indemnified Party (in addition to local counsel) shall be borne by the Company. Notwithstanding anything to the contrary contained herein, if any Underwriter Indemnified Party shall assume the defense of such action as provided above, the Company shall have the right to approve the terms of any settlement of such action, which approval shall not be unreasonably withheld.

5.2 Indemnification of the Company. The Underwriter agrees to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and persons who control the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act against any and all loss, liability, claim, damage and expense described in the foregoing indemnity from the Company to the Underwriter, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions made in the Registration Statement, any Preliminary Prospectus, the Pricing Disclosure Package or Prospectus or any amendment or supplement thereto or in any application, in reliance upon, and in strict conformity with, the Underwriter's Information. In case any action shall be brought against the Company or any other person so indemnified based on any Preliminary Prospectus, the Registration Statement, the Pricing Disclosure Package or Prospectus or any amendment or supplement thereto or any application, and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each other person so indemnified shall have the rights and duties given to the Underwriter by the provisions of Section 5.1.2. The Company agrees promptly to notify the Underwriter of the commencement of any litigation or proceedings against the Company or any of its officers, directors or any person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, in connection with the issuance and sale of the Public Securities or in connection with the Registration Statement, the Pricing Disclosure Package, the Prospectus, or any Issuer Free Writing Prospectus.

5.3 Contribution.

5.3.1 Contribution Rights. If the indemnification provided for in this Section 5 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 5.1 or 5.2 in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriter, on the other, from the Offering of the Public Securities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriter, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriter, on the other, with respect to such Offering shall be deemed to be in the same proportion as the total net proceeds from the Offering of the Public Securities purchased under this Agreement (before deducting expenses) received by the Company, as set forth in the table on the cover page of the Prospectus, on the one hand, and the total underwriting discounts and commissions received by the Underwriter with respect to the Common Shares purchased under this Agreement, as set forth in the table on the cover page of the Prospectus, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriter, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriter agree that it would not be just and equitable if contributions pursuant to this Section 5.3.1 were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 5.3.1 shall be deemed to include, for purposes of this Section 5.3.1, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5.3.1, in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the Offering of the Public Securities exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

5.3.2 Contribution Procedure. Within fifteen (15) days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party (“**contributing party**”), notify the contributing party of the commencement thereof, but the failure to so notify the contributing party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party or its representative of the commencement thereof within the aforesaid fifteen (15) days, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified. Any such contributing party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution on account of any settlement of any claim, action or proceeding affected by such party seeking contribution without the written consent of such contributing party, which consent will not be unreasonably withheld. The contribution provisions contained in this Section 5.3.2 are intended to supersede, to the extent permitted by law, any right to contribution under the Securities Act, the Exchange Act or otherwise available.

6. Default by the Underwriter.

6.1 [Reserved]

6.2 Default Exceeding 10% of Firm Securities or Option Securities. In the event that the Underwriter shall default in its obligation to purchase the Firm Securities or the Option Securities, if the Over-allotment Option is exercised hereunder, with respect to more than 10% of the Firm Securities or Option Securities, you may in your discretion arrange for yourself or for another party or parties to purchase such Firm Securities or Option Securities to which such default relates on the terms contained herein. If, within one (1) Business Day after such default relating to more than 10% of the Firm Securities or Option Securities, you do not arrange for the purchase of such Firm Securities or Option Securities, then the Company shall be entitled to a further period of one (1) Business Day within which to procure another party or parties satisfactory to you to purchase said Firm Securities or Option Securities on such terms. In the event that neither you nor the Company arrange for the purchase of the Firm Securities or Option Securities to which a default relates as provided in this Section 6, this Agreement will automatically be terminated by you or the Company without liability on the part of the Company (except as provided in Sections 3.9 and 5 hereof) or the Underwriter (except as provided in Section 5 hereof); *provided, however*, that if such default occurs with respect to the Option Securities, this Agreement will not terminate as to the Firm Securities.

6.3 Postponement of Closing Date. In the event that the Firm Securities or Option Securities to which the default relates are to be purchased by another party or parties as aforesaid, you or the Company shall have the right to postpone the Closing Date or Option Closing Date for a reasonable period, but not in any event exceeding five (5) Business Days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus or in any other documents and arrangements, and the Company agrees to file promptly any amendment to the Registration Statement, the Pricing Disclosure Package or the Prospectus that in the opinion of counsel for the Underwriter may thereby be made necessary. The term “**Underwriter**” as used in this Agreement shall include any party substituted under this Section 6 with like effect as if it had originally been a party to this Agreement with respect to such Common Shares.

7. Additional Covenants.

7.1 Board Composition and Board Designations. The Company shall ensure that: (i) the qualifications of the persons serving as members of the Board of Directors and the overall composition of the Board comply with the Sarbanes-Oxley Act, with the Exchange Act and with the listing rules of the Exchange or any other national securities exchange, as the case may be, in the event the Company seeks to have its Public Securities listed on another exchange or quoted on an automated quotation system, and (ii) if applicable, at least one (1) member of the Audit Committee of the Board of Directors qualifies as an “audit committee financial expert,” as such term is defined under Regulation S-K and the listing rules of the Exchange.

7.2 Prohibition on Press Releases and Public Announcements. The Company shall not issue press releases or engage in any other publicity, without the Underwriter's prior written consent, for a period ending at 5:00 p.m., Eastern time, on the first (1st) Business Day following the forty-fifth (45th) day after the Closing Date, other than normal and customary releases issued in the ordinary course of the Company's business or as may be required to comply with applicable law or the requirements of the Exchange.

8. Effective Date of this Agreement and Termination Thereof.

8.1 Effective Date. This Agreement shall become effective when both the Company and the Underwriter have executed the same and delivered counterparts of such signatures to the other party.

8.2 Termination. The Underwriter shall have the right to terminate this Agreement at any time prior to any Closing Date, (i) if any domestic or international event or act or occurrence has materially disrupted, or in your opinion will in the immediate future materially disrupt, general securities markets in the United States; or (ii) if trading on the New York Stock Exchange or the Nasdaq Stock Market LLC shall have been suspended or materially limited, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices for securities shall have been required by FINRA or by order of the Commission or any other government authority having jurisdiction; or (iii) if the United States shall have become involved in a new war or an increase in major hostilities; or (iv) if a banking moratorium has been declared by a New York State or federal authority; or (v) if a moratorium on foreign exchange trading has been declared which materially adversely impacts the United States securities markets; or (vi) if the Company shall have sustained a material loss by fire, flood, accident, hurricane, earthquake, theft, sabotage or other calamity or malicious act which, whether or not such loss shall have been insured, will, in your opinion, make it inadvisable to proceed with the delivery of the Firm Securities or Option Securities; or (vii) if the Company is in material breach of any of its representations, warranties or covenants hereunder; or (viii) if the Underwriter shall have become aware after the date hereof of such a Material Adverse Change in the conditions or prospects of the Company, or such adverse material change in general market conditions as in the Underwriter's judgment would make it impracticable to proceed with the offering, sale and/or delivery of the Public Securities or to enforce contracts made by the Underwriter for the sale of the Public Securities.

8.3 Expenses. Notwithstanding anything to the contrary in this Agreement, except in the case of a default by the Underwriter, pursuant to Section 6.2 above, in the event that this Agreement is terminated prior to the Closing Date for any reason whatsoever, within the time specified herein or any extensions thereof pursuant to the terms herein, the Company shall be obligated to pay to the Underwriter accountable out-of-pocket expenses related to the transactions contemplated herein then due and payable (including the fees and disbursements of Underwriter Counsel) up to \$50,000 and upon demand the Company shall pay the full amount thereof to the Underwriter; *provided, however*, that such expense cap in no way limits or impairs the indemnification and contribution provisions of this Agreement.

8.4 Indemnification. Notwithstanding any contrary provision contained in this Agreement, any election hereunder or any termination of this Agreement, and whether or not this Agreement is otherwise carried out, the provisions of Section 5 shall remain in full force and effect and shall not be in any way affected by, such election or termination or failure to carry out the terms of this Agreement or any part hereof.

8.5 Representations, Warranties, Agreements to Survive. All representations, warranties and agreements contained in this Agreement or in certificates of officers of the Company submitted pursuant hereto, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of any Underwriter or its Affiliates or selling agents, any person controlling any Underwriter, its officers or directors or any person controlling the Company or (ii) delivery of and payment for the Public Securities.

9. Miscellaneous.

9.1 Notices. All communications hereunder, except as herein otherwise specifically provided, shall be in writing and shall be mailed (registered or certified mail, return receipt requested), personally delivered, electronically sent via email or sent by facsimile transmission and confirmed and shall be deemed given when so delivered, emailed or faxed and confirmed or if mailed, two (2) days after such mailing.

If to the Underwriter:

H.C. Wainwright & Co., LLC
430 Park Avenue
New York, New York 10022
Attention: Head of Investment Banking
Fax No.: 212-214-0803

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

Sheppard Mullin Richter & Hampton LLP
30 Rockefeller Plaza, 39th Floor
New York, New York 10112
Attention: Jeffrey Fessler, Esq.
Fax No.: (917) 438-6133

If to the Company:

Intellipharma International Inc.
30 Worcester Road
Toronto, Ontario
Canada, M9W 5X2
Attention: Dr. Amina Odidi
Fax No: (416) 798-3007

with copies (which shall not constitute notice) to:

Gowling WLG (Canada) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, Ontario, M5X 1G5,
Attention: Tina M. Woodside, Esq. (facsimile: (416) 862-7661)
Fax No: (416) 862-7661

and to

Buchanan Ingersoll & Rooney PC
640 Fifth Avenue
New York, New York 10019-6102
Attention: Richard DiStefano, Esq.
and Brian North, Esq.
Fax No: (212) 440-4401

9.2 Research Analyst Independence. The Company acknowledges that the Underwriter's research analysts and research departments are required to be independent from its investment banking division and are subject to certain regulations and internal policies, and that the Underwriter's research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the Offering that differ from the views of their investment banking division. The Company acknowledges that the Underwriter is a full service securities firm and as such from time to time, subject to applicable securities laws, rules and regulations, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the Company; *provided, however*, that nothing in this Section 9.2 shall relieve the Underwriter of any responsibility or liability it may otherwise bear in connection with activities in violation of applicable securities laws, rules or regulations.

9.3 Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

9.4 Amendment. This Agreement may only be amended by a written instrument executed by each of the parties hereto.

9.5 Entire Agreement. This Agreement (together with the other agreements and documents being delivered pursuant to or in connection with this Agreement) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof. Except as otherwise contemplated herein, it is understood and agreed by the parties hereto that all other binding terms and conditions of that certain engagement letter between the Company and the Underwriter dated August 15, 2018 (the “**Engagement Letter**”), shall remain valid and binding on, and enforceable against, the Company and in accordance with the terms thereof. In the event of any conflict between the terms of the Engagement Letter and the Agreement, the terms of the Agreement shall prevail.

9.6 Binding Effect. This Agreement shall inure solely to the benefit of and shall be binding upon the Underwriter, the Company and the controlling persons, directors and officers referred to in Section 5 hereof, and their respective successors, legal representatives, heirs and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provisions herein contained. The term “successors and assigns” shall not include a purchaser, in its capacity as such, of securities from the Underwriter.

9.7 Governing Law; Consent to Jurisdiction; Trial by Jury. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to conflict of laws principles thereof. The Company hereby agrees that any action, proceeding or claim against it arising out of, or relating in any way to this Agreement shall be brought and enforced in the New York Supreme Court, County of New York, or in the United States District Court for the Southern District of New York, and irrevocably submits to such jurisdiction, which jurisdiction shall be exclusive. The Company hereby waives any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Any such process or summons to be served upon the Company may be served by transmitting a copy thereof by registered or certified mail, return receipt requested, postage prepaid, addressed to it at the address set forth in Section 9.1 hereof. Such mailing shall be deemed personal service and shall be legal and binding upon the Company in any action, proceeding or claim. The Company and the Underwriter agrees that the prevailing party(ies) in any such action shall be entitled to recover from the other party(ies) all of its reasonable attorneys’ fees and expenses relating to such action or proceeding and/or incurred in connection with the preparation therefor. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its shareholders and affiliates) and the Underwriter hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

9.8 Execution in Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement, and shall become effective when one or more counterparts has been signed by each of the parties hereto and delivered to each of the other parties hereto. Delivery of a signed counterpart of this Agreement by facsimile or email/pdf transmission shall constitute valid and sufficient delivery thereof.

9.9 Waiver, etc. The failure of any of the parties hereto to at any time enforce any of the provisions of this Agreement shall not be deemed or construed to be a waiver of any such provision, nor to in any way effect the validity of this Agreement or any provision hereof or the right of any of the parties hereto to thereafter enforce each and every provision of this Agreement. No waiver of any breach, non-compliance or non-fulfillment of any of the provisions of this Agreement shall be effective unless set forth in a written instrument executed by the party or parties against whom or which enforcement of such waiver is sought; and no waiver of any such breach, non-compliance or non-fulfillment shall be construed or deemed to be a waiver of any other or subsequent breach, non-compliance or non-fulfillment.

[Signature Page Follows]

If the foregoing correctly sets forth the understanding between the Underwriter and the Company, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

INTELLIPHARMACEUTICS INTERNATIONAL INC.

By: _____
Name: _____
Title: _____

Confirmed as of the date first written above:

H.C. WAINWRIGHT & CO., LLC

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE]

SCHEDULE 1-A

PRICING INFORMATION

Number of Firm Shares:

Number of Pre-Funded Warrants:

Number of Firm Warrants:

Number of Option Shares:

Number of Option Warrants:

Warrant Exercise Price: \$

Public Offering Price per Firm Share: \$

Public Offering Price per Pre-Funded Warrant: \$

Public Offering Price per Firm Warrant:

Underwriting Discount per Firm Share: \$

Underwriting Discount per Pre-Funded Warrant: \$

Underwriting Discount per Firm Warrant:

Proceeds to Company per Firm Share (before expenses): \$

Proceeds to Company per Pre-Funded Warrant (before expenses): \$

Proceeds to Company per Firm Warrant (before expenses): \$

SCHEDULE 1-B

Issuer Free Writing Prospectus

[]

SCHEDULE 2

List of Lock-Up Parties

[]

EXHIBIT A

Form of Lock-Up Agreement

October •, 2018

H.C. Wainwright & Co., LLC
430 Park Avenue, 3rd Floor
New York, New York 10022

Re: Intellipharmaceutics International Inc. (the “Company”)

Ladies and Gentlemen:

The undersigned is an owner of record or beneficially of certain common shares of the Company (“Common Shares”) or securities convertible into or exchangeable or exercisable for Common Shares. The Company proposes to carry out a public offering of securities (the “Offering”) for which H.C. Wainwright & Co., LLC (the “Underwriter”) will act as the underwriter pursuant to the underwriting agreement to be entered into between the Underwriter and the Company with respect to the Offering (the “Underwriting Agreement”). The undersigned recognizes that the Offering will be of benefit to the undersigned and will benefit the Company by, among other things, raising additional capital for its operations. The undersigned acknowledges that the Underwriter is relying on the representations and agreements of the undersigned contained in this letter in carrying out the Offering and in entering into the Underwriting Agreement.

In consideration of the foregoing, the undersigned hereby agrees that the undersigned will not, and will not publicly disclose an intention to (and will cause any spouse or immediate family member of the spouse or the undersigned living in the undersigned’s household not to), without the prior written consent of the Underwriter (which consent may be withheld in its sole discretion), directly or indirectly, sell, offer, contract or grant any option to sell (including, without limitation, any short sale), grant any option, right or warrant to purchase, pledge, transfer, establish an open “put equivalent position” within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), lend or otherwise dispose of any Common Shares, options, rights or warrants to acquire Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares currently owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by the undersigned (or such spouse or family member), including, without limitation, entering into any swap or other arrangement that transfers, in whole or in part, the economic consequences of the ownership of Common Shares or publicly announce an intention to do any of the foregoing, for a period commencing on the date hereof and continuing through the close of trading on the date ninety (90) days after the date of the final prospectus relating to the Offering (the “Restriction Period”), except for (A) transactions related to Common Shares or other securities acquired in the Offering or in the open market after the completion of the Offering, (B) bona fide gifts, sales or other dispositions of shares of any class of the Company’s capital stock, in each case that are made exclusively between and among the undersigned or members of the undersigned’s family, or affiliates of the undersigned, including its partners (if a partnership) or members (if a limited liability company), (C) transfers to any trust for the direct or indirect benefit of the undersigned or a member of the immediate family (as defined below) of the undersigned, or (D) transfers by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary, or a member of the immediate family of the undersigned; provided that in the case of any transfer or distribution pursuant to clause (B), (C) or (D), (1) each donee or distributee shall execute and deliver to the Underwriter a lock-up letter in the form of this paragraph and (2) any such transfer shall not involve a disposition for value; and provided, further, that in the case of any transfer or distribution pursuant to clause (B), (C) or (D), no filing by any party (donor, donee, transferor or transferee) under the Exchange Act or other public announcement shall be required or shall be made voluntarily in connection with such transfer or distribution (other than a filing on a Form 5 made after the expiration of the Restriction Period). Beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act.

If the undersigned is an officer or director of the Company: (A) notwithstanding any provision of this agreement to the contrary, the share transfer restrictions set forth above shall apply to any and all issuer-directed shares received by the undersigned in the Offering; and (B) if the Underwriter determines in its sole discretion to consent to a requested release or waiver of the foregoing restrictions in connection with a transfer of Common Shares, (i) as required by the Financial Industry Regulatory Authority, Inc., the Underwriter intends to notify the Company of the impending release or waiver at least three (3) business days before the effective date of such release or waiver, and (ii) the Company (in accordance with the provisions of the Underwriting Agreement) will announce the impending release or waiver by press release through a major news service at least two (2) business days before the effective date of the release or waiver. Any release or waiver granted by the Underwriter hereunder to any such officer or director shall only be effective two (2) business days after the publication date of such press release. The provisions of this paragraph will not apply if both (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this agreement that are applicable to the transferor to the extent and for the duration that such terms remain in effect at the time of the transfer.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of Common Shares held by the undersigned except in compliance with the foregoing restrictions, and any duly appointed transfer agent and registrar for the registration or transfer of Common Shares described herein are hereby authorized to decline to make any transfer of such Common Shares if such transfer would constitute a violation or breach of this agreement.

With respect to the Offering only, the undersigned waives any registration rights relating to registration under the Securities Act of 1933, as amended, of any Common Shares owned either of record or beneficially by the undersigned, including any rights to receive notice of the Offering.

The undersigned understands that, (1) if the Underwriting Agreement has not been executed on or before [], 2018 (provided that the Company may by written notice to the undersigned prior to [], 2018 extend such date for a period of up to an additional [] months), (2) if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the securities to be sold thereunder or (3) after [], 2018, if the Company advises in writing to the Underwriter that it has determined not to proceed with the Offering prior to the execution of the Underwriting Agreement, the undersigned shall be released from all obligations under this agreement.

As used herein, "immediate family" shall mean the spouse, domestic partner, lineal descendant, father, mother, brother, sister, or any other person with whom the undersigned has a relationship by blood, marriage or adoption not more remote than first cousin.

The undersigned hereby agrees that, to the extent that the terms of this agreement conflict with or are in any way inconsistent with any registration rights agreement, any market standoff agreement or any other lock-up agreement related to the Common Shares to which the undersigned and the Company may be party, this agreement supersedes such registration rights agreement, market standoff agreement or other lock-up agreement.

[Signature page follows]

This agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned.

This letter agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof.

Very truly yours,

Name of Securityholder/Director/Officer
(Print exact name)

By: _____
Signature

If not signing in an individual capacity:

Name of Authorized Signatory (Print)

Title of Authorized Signatory (Print)

(indicate capacity of person signing if signing as custodian, trustee or on behalf of an entity)

PRE-FUNDED COMMON SHARE PURCHASE WARRANT**INTELLIPHARMACEUTICS INTERNATIONAL INC.**

Warrant Shares: _____

Issue Date: _____, 2018

Initial Exercise Date: _____, 2018

THIS PRE-FUNDED COMMON SHARE PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and until this Warrant is exercised in full (the "Termination Date"), to subscribe for and purchase from Intellipharmaeueutics International Inc., a Canadian corporation (the "Company"), up to _____ Common Shares (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Common Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant is issued pursuant to the Registration Statement which Registration Statement also registers the Warrant Shares issuable upon exercise of this Warrant.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the bid price of the Common Shares for the time in question (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Share" means the common share of the Company, no par value, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Share Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Registration Statement” means the Company’s registration statement on Form F-1 (File No. 333-227448).

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Trading Day” means a day on which the Common Shares are traded on a Trading Market.

“Trading Market” means any of the following markets or exchanges on which the Common Shares are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing).

“Transfer Agent” means AST Trust Company (Canada) with offices located at 1 Toronto Street, Suite 1200 Toronto, ON M5C 2V6 and American Stock Transfer & Trust Company LLC with offices located at 6201 15th Avenue, Brooklyn, NY 11219, and any successor transfer agent of the Company.

“Underwriting Agreement” means that certain underwriting agreement entered into by and between H.C. Wainwright & Co., LLC and the Company, dated as of [], 2018.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Shares for such date (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the “Pink Sheets” published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“Warrants” means this Warrant and other Common Share purchase warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The aggregate exercise price of this Warrant, except for a nominal exercise price of \$0.01 per Warrant Share, was pre-funded to the Company on or prior to the Initial Exercise Date and, consequently, no additional consideration (other than the nominal exercise price of \$0.01 per Warrant Share) shall be required to be paid by the Holder to any Person to effect any exercise of this Warrant. The Holder shall not be entitled to the return or refund of all, or any portion, of such pre-paid aggregate exercise price under any circumstance or for any reason whatsoever, including in the event this Warrant shall not have been exercised prior to the Termination Date. The remaining unpaid exercise price per Common Share under this Warrant shall be \$0.01, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing $[(A-B) (X)]$ by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Shares on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate or book entry notation, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days (ii) the number of days comprising the Standard Settlement Period, in each case after the delivery to the Company of the Notice of Exercise and (iii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by the Warrant Share Delivery Date. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the fifth (5th) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or the Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Shares as in effect on the date of delivery of the Notice of Exercise. Notwithstanding the foregoing, with respect to any Notice(s) of Exercise delivered on or prior to 12:00 p.m. (New York City time) on the Initial Exercise Date, which may be delivered at any time after the time of execution of the Underwriting Agreement, the Company agrees to deliver the Warrant Shares subject to such notice(s) by 4:00 p.m. (New York City time) on the Initial Exercise Date.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. In the event that the Buy-In remedy pursuant to Section 2(d)(iv) does not apply or is otherwise not exercised, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Common Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Common Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Shares having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of Common Shares with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Common Shares outstanding. Upon the written or oral request of a Holder, the Company shall within one (1) Trading Day confirm orally and in writing to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties

since the date as of which such number of outstanding Common Shares was reported. The “Beneficial Ownership Limitation” shall be [4.99%/9.99%] of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on its Common Shares or any other equity or equity equivalent securities payable in Common Shares (which, for avoidance of doubt, shall not include any Common Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Common Shares into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding Common Shares into a smaller number of shares, or (iv) issues by reclassification of Common Shares any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Share Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Shares (the “Purchase Rights”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder’s right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Common Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “Distribution”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder’s right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Common Shares (not including any Common Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the “Successor Entity”) to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Common Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Common Shares (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Shares, (C) the Company shall authorize the granting to all holders of the Common Shares rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Common Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Shares of record shall be entitled to exchange their Common Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within two (2) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Issue Date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “Warrant Register”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Shareholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting the rights of a Holder to receive Warrant Shares on a “cashless exercise,” and to receive the cash payments contemplated pursuant to Sections 2(d)(i) and 2(d)(iv), in no event will the Company be required to net cash settle a Warrant exercise.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Shares may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its articles of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of this Warrant shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the “New York Courts”). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder’s rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys’ fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above Attention: _____, facsimile number _____, email address _____, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or email, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, email address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

INTELLIPHARMACEUTICS INTERNATIONAL INC.

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: INTELLIPHARMACEUTICS INTERNATIONAL INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____
Email Address: _____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

COMMON SHARE PURCHASE WARRANT
INTELLIPHARMACEUTICS INTERNATIONAL INC.

Warrant Shares: _____

Issue Date: _____, 2018

Initial Exercise Date: _____, 2018

THIS COMMON SHARE PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on _____¹ (the "Termination Date") but not thereafter, to subscribe for and purchase from Intellipharmaeutics International Inc., a Canadian corporation (the "Company"), up to _____ Common Shares (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Common Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant is issued pursuant to the Registration Statement which Registration Statement also registers the Warrant Shares issuable upon exercise of this Warrant.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the bid price of the C Common Shares for the time in question (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Share" means the common share of the Company, no par value, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Share Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

¹ The date that is the [] year anniversary of the Initial Exercise Date, provided that, if such date is not a Trading Day, insert the immediately following Trading Day.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Registration Statement” means the Company’s registration statement on Form F-1 (File No. 333-227448).

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Trading Day” means a day on which the Common Shares are traded on a Trading Market.

“Trading Market” means any of the following markets or exchanges on which the Common Shares are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing).

“Transfer Agent” means AST Trust Company (Canada) with offices located at 1 Toronto Street, Suite 1200 Toronto, ON M5C 2V6 and American Stock Transfer & Trust Company LLC with offices located at 6201 15th Avenue, Brooklyn, NY 11219, and any successor transfer agent of the Company.

“Underwriting Agreement” means that certain underwriting agreement entered into by and between H.C. Wainwright & Co., LLC and the Company, dated as of [], 2018.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Shares for such date (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the “Pink Sheets” published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“Warrants” means this Warrant and other Common Share purchase warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per Common Share under this Warrant shall be \$_____, subject to adjustment hereunder (the “Exercise Price”).

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of “regular trading hours” (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Shares on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder’s execution of the applicable Notice of Exercise if such Notice of Exercise is executed during “regular trading hours” on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of “regular trading hours” on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of “regular trading hours” on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“DWAC”) if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate or book entry notation, registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days (ii) the number of days comprising the Standard Settlement Period, in each case after the delivery to the Company of the Notice of Exercise and (iii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company (such date, the “Warrant Share Delivery Date”). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by the Warrant Share Delivery Date. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the fifth (5th) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or the Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, “Standard Settlement Period” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary Trading Market with respect to the Common Shares as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. In the event that the Buy-In remedy pursuant to Section 2(d)(iv) does not apply or is otherwise not exercised, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Common Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Common Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Shares having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of Common Shares with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the

Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Common Shares outstanding. Upon the written or oral request of a Holder, the Company shall within one (1) Trading Day confirm orally and in writing to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding Common Shares was reported. The "Beneficial Ownership Limitation" shall be [4.99%/9.99%] of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on its Common Shares or any other equity or equity equivalent securities payable in Common Shares (which, for avoidance of doubt, shall not include any Common Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Common Shares into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding Common Shares into a smaller number of shares, or (iv) issues by reclassification of Common Shares any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Share Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Shares (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Common Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Common Shares (not including any Common Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the

securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within thirty (30) days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, the Holder shall only be entitled to receive from the Company or any Successor Entity, as of the date of consummation of such Fundamental Transaction, the same type or form of consideration (and in the same proportion), at the Black Scholes Value (as defined below) of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Shares of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Shares are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black and Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of one hundred (100%) percent and the one hundred (100) day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the greater of (x) the last VWAP immediately prior to the public announcement of such Fundamental Transaction and (y) the last VWAP immediately prior to the consummation of such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds (or by delivery of such other consideration, as applicable) within five (5) Business Days of the Holder's election (or, if later, on the effective date of the Fundamental Transaction). The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Common Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Common Shares (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Shares, (C) the Company shall authorize the granting to all holders of the Common Shares rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Common Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Shares of record shall be entitled to exchange their Common Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within two (2) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Issue Date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “Warrant Register”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Shareholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting the rights of a Holder to receive Warrant Shares on a “cashless exercise,” and to receive the cash payments contemplated pursuant to Sections 2(d)(i) and 2(d)(iv), in no event will the Company be required to net cash settle a Warrant exercise.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Shares may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its articles of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of this Warrant shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the “New York Courts”). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above Attention: _____, facsimile number _____, email address _____, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or email, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, email address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

INTELLIPHARMACEUTICS INTERNATIONAL INC.

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: INTELLIPHARMACEUTICS INTERNATIONAL INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____
Email Address: _____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

UNDERWRITER COMMON SHARE PURCHASE WARRANT

INTELLIPHARMACEUTICS INTERNATIONAL INC.

Warrant Shares: _____

Issue Date: _____, 2018

Initial Exercise Date: _____, 2018

THIS UNDERWRITER COMMON SHARE PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on _____¹ (the "Termination Date") but not thereafter, to subscribe for and purchase from Intellipharmaceutics International Inc., a Canadian corporation (the "Company"), up to _____ Common Shares (as subject to adjustment hereunder, the "Warrant Shares"). The purchase price of one Common Share under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b). This Warrant is issued pursuant to the Registration Statement which Registration Statement also registers the Warrant Shares issuable upon exercise of this Warrant.

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the bid price of the Common Shares for the time in question (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Commission" means the United States Securities and Exchange Commission.

"Common Share" means the common share of the Company, no par value, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Share Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Shares, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

¹ The date that is the five (5) year anniversary of the Initial Exercise Date, provided that, if such date is not a Trading Day, insert the immediately following Trading Day.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Registration Statement” means the Company’s registration statement on Form F-1 (File No. 333-227448).

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Trading Day” means a day on which the Common Shares are traded on a Trading Market.

“Trading Market” means any of the following markets or exchanges on which the Common Shares are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board (or any successors to any of the foregoing).

“Transfer Agent” means AST Trust Company (Canada) with offices located at 1 Toronto Street, Suite 1200 Toronto, ON M5C 2V6 and American Stock Transfer & Trust Company LLC with offices located at 6201 15th Avenue, Brooklyn, NY 11219, and any successor transfer agent of the Company.

“Underwriting Agreement” means that certain underwriting agreement entered into by and between H.C. Wainwright & Co., LLC and the Company, dated as of [], 2018.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Shares are then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Shares for such date (or the nearest preceding date) on the Trading Market on which the Common Shares are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Shares for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Shares are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Shares are then reported in the “Pink Sheets” published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per Common Share so reported, or (d) in all other cases, the fair market value of a Common Share as determined by an independent appraiser selected in good faith by the holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

“Warrants” means this Warrant and other Common Share purchase warrants issued by the Company pursuant to the Registration Statement.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the “Notice of Exercise”). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier’s check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per Common Share under this Warrant shall be \$_____, subject to adjustment hereunder (the “Exercise Price”).

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of “regular trading hours” (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Shares on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder’s execution of the applicable Notice of Exercise if such Notice of Exercise is executed during “regular trading hours” on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of “regular trading hours” on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of “regular trading hours” on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“DWAC”) if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate or book entry notation, registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two (2) Trading Days (ii) the number of days comprising the Standard Settlement Period, in each case after the delivery to the Company of the Notice of Exercise and (iii) one (1) Trading Day after delivery of the aggregate Exercise Price to the Company (such date, the “Warrant Share Delivery Date”). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received by the Warrant Share Delivery Date. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Shares on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the fifth (5th) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or the Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, “Standard Settlement Period” means the standard settlement period, expressed in a number of Trading Days, on the Company’s primary Trading Market with respect to the Common Shares as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. In the event that the Buy-In remedy pursuant to Section 2(d)(iv) does not apply or is otherwise not exercised, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, Common Shares to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of Common Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Shares having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of Common Shares with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Common Shares upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Common Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Common Shares issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of Common Shares which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding Common Shares, a Holder may rely on the number of outstanding Common Shares as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of Common Shares outstanding. Upon the written or oral request of a Holder, the Company shall

within one (1) Trading Day confirm orally and in writing to the Holder the number of Common Shares then outstanding. In any case, the number of outstanding Common Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding Common Shares was reported. The “Beneficial Ownership Limitation” shall be [4.99%/9.99%] of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on its Common Shares or any other equity or equity equivalent securities payable in Common Shares (which, for avoidance of doubt, shall not include any Common Shares issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding Common Shares into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding Common Shares into a smaller number of shares, or (iv) issues by reclassification of Common Shares any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Share Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Common Shares (the “Purchase Rights”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder’s right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Common Shares as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend (other than cash) or other distribution of its assets (or rights to acquire its assets) to holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “Distribution”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Common Shares acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder’s right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Common Shares as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

d) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Shares or any compulsory share exchange pursuant to which the Common Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Common Shares (not including any Common Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a “Fundamental Transaction”), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of Common Shares of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the “Alternate Consideration”) receivable as a result of such Fundamental Transaction by a holder of the number of Common Shares for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Common Share in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder’s option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount

of cash equal to the Black Scholes Value of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, the Holder shall only be entitled to receive from the Company or any Successor Entity, as of the date of consummation of such Fundamental Transaction, the same type or form of consideration (and in the same proportion), at the Black Scholes Value (as defined below) of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Shares of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Shares are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black and Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the greater of (x) the last VWAP immediately prior to the public announcement of such Fundamental Transaction and (y) the last VWAP immediately prior to the consummation of such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds (or by delivery of such other consideration, as applicable) within five (5) Business Days of the Holder's election (or, if later, on the effective date of the Fundamental Transaction). The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the Common Shares pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of Common Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Common Shares (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Shares, (C) the Company shall authorize the granting to all holders of the Common Share rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Common Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least twenty (20) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Shares of record shall be entitled to exchange their Common Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Pursuant to FINRA Rule 5110(g)(1), neither this Warrant nor any Warrant Shares issued upon exercise of this Warrant shall be sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the securities by any person for a period of one hundred eighty (180) days immediately following the date of effectiveness or commencement of sales of the offering pursuant to which this Warrant is being issued, except the transfer of any security:

- i. by operation of law or by reason of reorganization of the Company;
- ii. to any FINRA member firm participating in the offering and the officers or partners thereof, if all securities so transferred remain subject to the lock-up restriction in this Section 4(a) for the remainder of the time period;
- iii. if the aggregate amount of securities of the Company held by the underwriter or related persons do not exceed 1% of the securities being offered;
- iv. that is beneficially owned on a pro-rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund, and participating members in the aggregate do not own more than 10% of the equity in the fund; or
- v. the exercise or conversion of any security, if all securities received remain subject to the lock-up restriction in this Section 4(a) for the remainder of the time period.

Subject to the foregoing restriction, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within two (2) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Issue Date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “Warrant Register”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Shareholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting the rights of a Holder to receive Warrant Shares on a “cashless exercise,” and to receive the cash payments contemplated pursuant to Sections 2(d)(i) and 2(d)(iv), in no event will the Company be required to net cash settle a Warrant exercise.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Shares a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Shares may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its articles of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of this Warrant shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the “New York Courts”). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. If either party shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys’ fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder’s rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys’ fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by facsimile or e-mail, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above Attention: _____, facsimile number _____, email address _____, or such other facsimile number, email address or address as the Company may specify for such purposes by notice to the Holders. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile or email, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, email address or address of such Holder appearing on the books of the Company. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address set forth in this Section prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile or email at the facsimile number or email address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Shares or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

INTELLIPHARMACEUTICS INTERNATIONAL INC.

By: _____

Name:

Title:

NOTICE OF EXERCISE

TO: INTELLIPHARMACEUTICS INTERNATIONAL INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____
Email Address: _____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____



IntelliPharmaceutics International Inc.
30 Worcester Road
Toronto, Ontario
Canada M9W 5X2

October 10, 2018

Re: **IntelliPharmaCeutics International Inc. – Registration Statement on Form F-1, as amended**

Ladies and Gentlemen:

We have acted as Canadian corporate counsel to IntelliPharmaCeutics International Inc. (the “**Company**”), a corporation formed under the federal laws of Canada, in connection with the filing of a registration statement of the Company on Form F-1, as amended (File No. 333-227448) (the “**Registration Statement**”) filed today by the Company with the Securities and Exchange Commission (the “**Commission**”) under the *Securities Act of 1933*, as amended (the “**Act**”), including the form of prospectus contained therein (the “**Prospectus**”).

The Registration Statement relates to the offering and sale by the Company of: (A) up to US\$13,800,000 of units (the “**Units**”), each Unit comprised of: (i) one common share of the Company (the “**Unit Shares**”); and (ii) one common share purchase warrant (a “**Warrant**”), each Warrant being exercisable to purchase one common share of the Company (a “**Warrant Share**”); and (B) up to US\$13,662,000 of pre-funded units (the “**Pre-Funded Units**”), each Pre-Funded Unit comprised of: (i) one pre-funded common share purchase warrant (a “**Pre-Funded Warrant**”), each Pre-Funded Warrant being exercisable to purchase one common share of the Company (a “**Pre-Funded Warrant Share**”) at an exercise price of US\$0.01 per Pre-Funded Warrant Share (subject to adjustment) in an aggregate amount of up to US\$13,800,000; and (ii) one Warrant.

In addition, the Registration Statement relates to the issue of up to US\$138,000 of common share purchase warrants (the “**Wainwright Warrants**”) each Wainwright Warrant being exercisable to purchase one common share of the Company (a “**Wainwright Warrant Share**”) in an aggregate amount of up to US\$1,035,000.

The Unit Shares, Warrants, Warrant Shares, Pre-Funded Warrants, Pre-Funded Warrant Shares, Wainwright Warrants and Wainwright Warrant Shares are collectively referred to herein as the “**Offered Securities**”. No opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or the Prospectus, other than as expressly stated herein with respect to the issuance of the Offered Securities.

Examination of Documents

In giving the opinions expressed below we have examined originals or copies, certified or otherwise identified to our satisfaction, of such corporate and other records and documents as we considered appropriate including, without limitation:

- (a) the articles of the Company, as amended and currently in effect;
- (b) the by-laws of the Company, as currently in effect;
- (c) a certificate of an officer of the Company as to certain matters of fact (the “**Officer’s Certificate**”); and
- (d) certified written resolutions of the Company’s board of directors dated the date hereof relating to, among other things, the Registration Statement and the offering of the Offered Securities.

Gowling WLG (Canada) LLP
Suite 1600, 1 First Canadian Place 100 King Street
West Toronto ON M5X 1G5 Canada

T +1 416 862 7525
F +1 416 862 7661
gowlingwlg.com

Gowling WLG (Canada) LLP is a member of Gowling WLG, an international law firm which consists of independent and autonomous entities providing services around the world. Our structure is explained in more detail at gowlingwlg.com/legal.

Assumptions and Reliances

We have relied exclusively upon the certificates (including the Officer's Certificate), documents and records we examined with respect to the accuracy of the factual matters contained in them and we have not performed any independent investigation or verification of those factual matters. We have assumed those factual matters were accurate on the date given and continue to be accurate as of the date of this opinion.

For the purposes of the opinions expressed below, we have assumed, without independent investigation or inquiry, that:

- (a) with respect to all documents and instruments examined by us, the signatures are genuine, the individuals signing those documents or instruments had legal capacity at the time of signing and, with respect to all parties to documents or instruments relevant hereto other than the Company, that such parties had the requisite power and authority (corporate or otherwise) to execute, deliver and perform such documents or instruments, that such documents or instruments have been duly authorized by all requisite action (corporate or otherwise) executed and delivered by such parties and that such documents or instruments are the legal, valid, binding and enforceable obligations of such parties, all documents or instruments submitted to us as originals are authentic, and certified, conformed or photocopied copies, or copies transmitted electronically or by facsimile, conform to the authentic original documents or instruments;
- (b) with respect to the Warrants, Pre-Funded Warrants and Wainwright Warrants, that such documents or instruments are the legal, valid, binding and enforceable obligations of the parties thereto, including the Company; and
- (c) the completeness and accuracy of the Company's corporate records in our possession, and the indices and records in all filing systems maintained in all public offices where we have searched or inquired or have caused searches or inquiries to be conducted are accurate and current, and all certificates and information issued or provided under those searches or inquiries are and remain accurate and complete;

The opinions expressed in this opinion letter are limited to the Canadian federal laws and such laws of the Province of Ontario as are applicable to the Company as a Canadian corporation and should not be relied upon, nor are they given in respect of, the laws of any other jurisdiction.

Opinions

Based upon and subject to the foregoing, and subject to the further limitations, qualifications and assumptions stated herein, we are of the opinion that:

- 1. The sale of the Unit Shares has been duly authorized and, when such Unit Shares are duly issued and delivered against payment of the consideration therefor on terms as finally determined by the board of directors of the Company, such Unit Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company.
- 2. The sale of the Warrants has been duly authorized and, when duly created, issued and sold on terms as finally determined by the board of directors of the Company, and upon the due exercise of such Warrants in accordance with their terms including the payment of the exercise price therefor, the Warrant Shares issuable thereby will be validly issued as fully paid and non-assessable shares in the capital of the Company.
- 3. The sale of the Pre-Funded Warrants has been duly authorized and, when duly created, issued and sold on terms as finally determined by the board of directors of the Company, and upon the due exercise of such Pre-Funded Warrants in accordance with their terms including the payment of the exercise price therefor, the Pre-Funded Warrant Shares issuable thereby will be validly issued as fully paid and non-assessable shares in the capital of the Company.

4. The issue of the Wainwright Warrants has been duly authorized and, when duly created and issued on terms as finally determined by the board of directors of the Company, and upon the due exercise of such Wainwright Warrants in accordance with their terms including the payment of the exercise price therefor, the Wainwright Warrant Shares issuable thereby will be validly issued as fully paid and non-assessable shares in the capital of the Company.

Qualifications and Limitations

The opinions expressed herein are subject to the following exceptions, qualifications and limitations: (a) the legality, validity, binding effect and enforceability of any agreement are subject to, and may be limited by, applicable bankruptcy, insolvency, reorganization, arrangement, winding-up, liquidation, moratorium, preference and other similar laws of general application affecting the enforcement of creditors' rights generally; and (b) the enforceability of the obligations of the Company may be limited by general equitable and legal principles, including those relating to the conduct of parties such as reasonableness and good faith in the performance of contracts, and to the principle that equitable remedies such as injunctive relief and specific performance are only available in the discretion of the court.

Consent

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the caption "Legal Matters" in the Prospectus forming part of the Registration Statement. In giving this consent, we do not thereby imply or admit that we come within the categories of persons whose consent is required by the Act or the rules and regulations promulgated thereunder.

This opinion letter is expressly limited to the matters set forth above, and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company or the Offered Securities. This opinion letter is rendered as of the date first written above and we disclaim any obligation to advise you of facts, circumstances, events or developments which hereafter may be brought to our attention and which may alter, affect or modify the opinion expressed herein. We understand and agree that Buchanan Ingersoll & Rooney PC may rely on this opinion as if it were an addressee hereof for the purpose of providing the opinion to be delivered by such firm in connection with the Registration Statement.

Very truly yours,

/s/ Gowling WLG (Canada) LLP

Page 3

Gowling WLG (Canada) LLP

Buchanan Ingersoll & Rooney PC

Richard DiStefano
212 440 4455
richard.distefano@bipc.com

640 Fifth Avenue
9th Floor
New York, NY 10019-6102
T 212 440 4400
F 212 440 4401

October 10, 2018

Intellipharmaeueuties International Inc.
30 Worcester Road
Toronto, Ontario
Canada M9W 5X2

Re: Intellipharmaeueuties International Inc. Registration Statement on Form F-1, as Amended

Ladies and Gentlemen:

We are acting as United States securities counsel to Intellipharmaeueuties International Inc., a corporation incorporated under the laws of Canada (the "Company"), in connection with its registration statement on Form F-1, as amended (File No. 333-227448) (the "Registration Statement"), filed on the date hereof with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), relating to the proposed public offering of up to: \$13,800,000 of units (the "Units") (each consisting of a common share, no par value, of the Company (a "Common Share") and a warrant to purchase one Common Share); Common Shares (the "Shares") and warrants to purchase Common Shares (the "Warrants") and the Common Shares issuable from time to time upon exercise of the Warrants (the "Warrant Shares"); \$13,662,000 of pre-funded units (the "Pre-Funded Units") (each consisting of a pre-funded warrant to purchase one Common Share (each, a "Pre-Funded Warrant" and collectively, the "Pre-Funded Warrants") and one Warrant), and \$13,800,000 of Common Shares issuable from time to time upon exercise of the Pre-Funded Warrants (the "Pre-Funded Warrant Shares"; and collectively with the Units, Shares, Warrants, Warrant Shares, Pre-Funded Units and Pre-Funded Warrants, the "Securities"), \$138,000 of warrants to purchase Common Shares (the "Wainwright Warrants") and \$1,035,000 of Common Shares issuable upon exercise of the Wainwright Warrants (the "Wainwright Warrant Shares"). The Securities and the Wainwright Warrants will be sold pursuant to an Underwriting Agreement (the "Underwriting Agreement") between the Company and H.C. Wainwright & Co., LLC ("Wainwright"). As noted in the Registration Statement, for each Pre-Funded Unit sold, the number of Units sold will be decreased on a one-for-one basis. This opinion letter is furnished to you at your request to enable you to fulfill the requirements of Item 601(b)(5) of Regulation S-K, 17 C.F.R. § 229.601(b)(5), in connection with the Registration Statement.

For purposes of this opinion letter, we have examined copies of such agreements, instruments and documents as we have deemed an appropriate basis on which to render the opinions hereinafter expressed. In our examination of the aforesaid documents, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of the documents submitted to us, the authenticity of the original documents submitted to us, and the conformity to authentic original documents of the documents submitted to us as copies (including pdfs). As to all matters of fact, we have relied on the representations and statements of fact made in the documents so reviewed, and we have not independently established the facts so relied on. This opinion letter is given, and all statements herein are made, in the context of the foregoing. We are admitted to practice in the State of New York, and we express no opinion as to any matters governed by any law other than the law of the State of New York. In particular, we do not purport to pass on any matter governed by the laws of Canada. Insofar as the opinions expressed herein relate to or are dependent upon matters governed by the laws of Canada, we have relied upon the opinion of Gowling WLG (Canada) LLP, dated the date hereof, being filed as an exhibit to the Registration Statement.

Based upon, subject to and limited by the foregoing, we are of the opinion that following (i) execution and delivery by the Company of the Underwriting Agreement, (ii) effectiveness of the Registration Statement, (iii) issuance of the Securities and the Wainwright Warrants pursuant to the terms of the Underwriting Agreement, and (iv) receipt by the Company of the consideration for the Securities, the Wainwright Warrants and the Wainwright Warrant Shares, as applicable, specified in the resolutions of the Board of Directors of the Company:

(a) The Warrants and Pre-Funded Warrants, when issued and sold in accordance with the Underwriting Agreement and duly executed and delivered by the Company to the purchasers thereof against payment therefor, will constitute valid and legally binding obligations of the Company; and

(b) The Wainwright Warrants, when issued and sold in accordance with the Underwriting Agreement and duly executed and delivered by the Company to Wainwright in accordance with the Underwriting Agreement, will constitute valid and legally binding obligations of the Company.

The opinions expressed above with respect to the validity and binding nature of obligations may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers) and by the exercise of judicial discretion and the application of principles of equity, good faith, fair dealing, reasonableness, conscionability and materiality (regardless of whether the Warrants, Pre-Funded Warrants or Wainwright Warrants, as applicable, are considered in a proceeding in equity or at law).

This opinion letter has been prepared for use in connection with the Registration Statement. We assume no obligation to advise of any changes in the foregoing subsequent to the effective date of the Registration Statement.

We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement, and to the reference to this firm under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act, or the rules and regulations of the Commission thereunder.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC

By: /s/ Richard DiStefano, a Shareholder



Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Amendment No. 2 to Registration Statement No. 333-227448 on Form F-1 of our auditors' report dated February 15, 2018, relating to the consolidated financial statements of Intellipharma International Inc. and its subsidiaries (the "Company") for the years ended November 30, 2017 and 2016, (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the conditions and events that raise substantial doubt on the Company's ability to continue as a going concern), appearing in the Annual Report on Form 20-F of the Company for the year ended November 30, 2017, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ MNP LLP

Chartered Professional Accountants
Licensed Public Accountants
October 10, 2018
Toronto, Canada



ACCOUNTING > CONSULTING > TAX
SUITE 300, 111 RICHMOND STREET W, TORONTO ON, M5H 2G4
1.877.251.2922 T: 416.596.1711 F: 416.596.7894 MNP.ca



Deloitte LLP
Bay Adelaide East
8 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

Tel: (416) 601 6150
Fax: (416) 601 6610
www.deloitte.ca

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Amendment No. 2 to Registration Statement No. 333-227448 on Form F-1 of our report dated February 26, 2016, relating to the 2015 consolidated financial statements of Intellipharma International Inc. and subsidiaries (the "Company") for the year ended November 30, 2015 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the conditions and events that raise substantial doubt on the Company's ability to continue as a going concern) appearing in the Annual Report on Form 20-F of the Company for the year ended November 30, 2017, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte LLP
Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
October 10, 2018