AGENCY AGREEMENT

February 10, 2017

LED Medical Diagnostics Inc.
Suite 810 - 580 Hornby Street
Vancouver, BC V6C 3B6

Attention: Dr. David Gane, Chief Executive Officer and Lamar Roberts, President

Dear Sirs:

In furtherance of the letter agreement dated January 17, 2017 (the "**Letter Agreement**") between LED Medical Diagnostics Inc. (the "**Corporation**") and Bloom Burton Securities Inc. (the "**Agent**"), the Agent understands that the Corporation proposes to issue and sell, on a private placement basis, (i) up to 225,000,000 units of the Corporation (the "**Equity Units**") at a price of $0.06 per Equity Unit, for aggregate gross proceeds of up to approximately $13,500,000, and (ii) up to 120 units of the Corporation (the "**Debt Units**" and, together with the Equity Units, the "**Units**") at a price of $10,000 per Debt Unit, for aggregate gross proceeds of up to approximately $1,200,000. Each Equity Unit consists of: (i) one common share in the capital of the Corporation (a "**Common Share**"); and (ii) one half of one Common Share purchase warrant of the Corporation (each whole warrant, a "**Warrant**"). Each Warrant shall entitle the holder thereof to purchase one Common Share (a "**Warrant Share**") at a price of $0.10 per Warrant Share for a period of 24 months from the Closing Date (as defined herein). Each Debt Unit consists of: (i) a 12% senior secured debenture of the Corporation (a "**Debenture**") in the principal amount of $10,000, maturing 24 months from the Closing Date; and (ii) 21,250 Common Shares. The offering of the Equity Units by the Corporation is hereinafter referred to as the "**Equity Offering**", the offering of the Debt Units by the Corporation is hereinafter referred to as the "**Debt Offering**" and, collectively, the Equity Offering and the Debt Offering are hereinafter referred to as the "**Offerings**".

Upon and subject to the terms and conditions hereof, the Corporation wishes to appoint the Agent to act as its sole and exclusive agent, and to effect the sale of the Equity Units and the Debt Units on a "best efforts" agency basis (and without underwriting liability). The Agent shall be entitled to appoint a soliciting dealer group consisting of other registered security dealers acceptable to the Corporation for the purpose of arranging for purchases of the Units (the "**Sub-Agents**") and shall ensure that each Sub-Agent agrees with the Agent to comply with the covenants and obligations given by the Agent herein

It is understood that the Units will be offered and sold pursuant to exemptions under Applicable Securities Laws (as defined herein) to Purchasers resident in each of the provinces of Canada, including to "accredited investors" in each of the provinces of Canada (the "**Offering Jurisdictions**").

INTERPRETATION

Unless expressly provided otherwise, where used in this Agreement or any schedule hereto, the following terms shall have the following meanings, respectively:

"**Acquisition**" has the meaning ascribed thereto in subsection 6(ee);

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

"**Agent's Debt Fee**" has the meaning ascribed thereto in subsection 4(a);

"**Agent's Equity Fee**" has the meaning ascribed thereto in subsection 3(a);

"**Agreement**" means the agreement resulting from the acceptance hereof by the Corporation;

"**Anti-Corruption Rules**" means all applicable laws, regulations, decrees, government orders, and administrative or other requirements in any jurisdiction in which the Corporation operates relating to the prevention and/or sanction of bribery and other forms of corrupt behaviour or practices (including without limitation the *Corruption of Foreign Public Officials Act* (Canada), *the Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and any applicable law implementing either the *United Nations Convention Against Corruption* or the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, all as amended;

"**Anti-Money Laundering Laws**" has the meaning ascribed thereto in subsection 6(aaa);

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

"**Broker Securities**" has the meaning ascribed thereto in subsection 4(b);

"**Business Day**" means any day except Saturday, Sunday or a statutory holiday in the city of Toronto, Ontario or the city of Vancouver, British Columbia;

"**Business IP**" means, collectively, the Owned IP and Licensed IP;

"**Canadian Sanctions Law**" has the meaning ascribed thereto in subsection 6(zz);

"**Canadian Subsidiaries**" means LED Dental Inc. and Essentia Genetics Corp.;

"**CDS**" has the meaning ascribed thereto in Section 11;

"**Claims**" has the meaning ascribed thereto in Section 13;

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

"**Closing Date**" means the date of the Closing, namely February 10, 2017, or such other date or dates as the Corporation and the Agent may agree in writing, it being acknowledged that the Closing may be completed in one or more tranches as may be determined by the Corporation and the Agent;

"**Closing Time**" means 12:30 p.m. (Toronto time) 9:30 a.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may agree;

"**Collateral Agency Agreement**" means the collateral agency agreement to be entered into among the Corporation, Bloom Burton Healthcare Lending Trust II and each Purchaser of the Debt Units, whereby each Purchaser of the Debt Units appoints and designates Bloom Burton Healthcare Lending Trust II as agent under the Security Documents granted by the Corporation in favour of such Purchasers to hold the Security Documents as agent for the rateable benefit of such Purchasers and to carry out the responsibilities and exercise the powers and rights set out in the Collateral Agency Agreement and the powers and rights related to enforcement of the Security Documents that would otherwise be carried out an exercised separately by each such Purchaser;

"**Common Share Certificates**" means the certificates to be issued by the Corporation to evidence the Common Shares sold and issued pursuant to the Offerings;

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

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

"**Corporation's Auditors**" means Grant Thornton LLP;

"**Corporation's Information Record**" means all information contained in any press release, material change report (excluding any confidential material change report), financial statements, information circulars, annual information form, resource reports or other document of the Corporation which has been publicly filed by, or on behalf of, the Corporation pursuant to Applicable Securities Laws or otherwise by or on behalf of the Corporation on or after January 1, 2012;

"**Corporations Act**" means the *Business Corporations Act* (British Columbia), as amended from time to time;

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

"**Debenture Certificates**" means the certificates to be issued by the Corporation to evidence the Debentures sold and issued pursuant to the Debt Offering;

"**Debt Broker Share**" has the meaning ascribed thereto in subsection 4(b);

"**Debt Broker Share Certificates**" means the certificates to be issued by the Corporation to evidence the Debt Broker Shares;

"**Debt Broker Warrant**" has the meaning ascribed thereto in subsection 4(b);

"**Debt Broker Warrant Certificate**" means the certificate to be issued by the Corporation to evidence the Debt Broker Warrants;

"**Debt Gross Proceeds**" means the principal amount of debt raised from the sale of the Debt Units;

"**Debt Instrument**" means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money, to which the Corporation or any of its Subsidiaries is a party or by which any of their property or assets are bound;

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

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

"**Deferred Share Unit Plan**" means the deferred share unit plan approved by the shareholders of the Corporation most recently on June 20, 2012;

"**Due Diligence Session**" has the meaning ascribed thereto in subsection 7(c);

"**Employee IP Agreements**" means agreements relating to proprietary information and assignment of inventions to the Corporation or any of the Subsidiaries, as applicable, by employees and consultants of the Corporation or any of the Subsidiaries, as applicable;

"**Employee Plans**" has the meaning ascribed thereto in subsection 6(yyy);

"**Environmental Laws**" has the meaning ascribed thereto in subsection 6(lll);

"**Equity Broker Share**" has the meaning ascribed thereto in subsection 3(b);

"**Equity Broker Share Certificates**" means the certificates to be issued by the Corporation to evidence the Equity Broker Shares;

"**Equity Broker Underlying Warrant**" has the meaning ascribed thereto in subsection 3(b);

"**Equity Broker Underlying Warrant Certificates**" means the certificates to be issued by the Corporation to evidence the Equity Broker Underlying Warrants;

"**Equity Broker Underlying Warrant Share**" has the meaning ascribed thereto in subsection 3(b);

"**Equity Broker Underlying Warrant Share Certificates**" means the certificates to be issued by the Corporation to evidence the Equity Broker Underlying Warrant Shares.

"**Equity Broker Unit**" has the meaning ascribed thereto in subsection 3(b);

"**Equity Broker Warrants**" has the meaning ascribed thereto in subsection 3(b);

"**Equity Broker Warrant Certificate**" means the certificate to be issued by the Corporation to evidence the Equity Broker Warrants;

"**Equity Gross Proceeds**" means the gross proceeds raised from the sale of the Equity Units;

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

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

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

"**Financial Statements**" has the meaning ascribed thereto in subsection 6(qq);

"**Forward-Looking Statements**" has the meaning ascribed thereto in subsection 6(dd);

"**Indemnified Party**" has the meaning ascribed thereto in Section 13;

"**Intellectual Property**" means any or all of the following (whether statutory or arising under common law or by contract or otherwise) and all proprietary intellectual property and other rights in, arising out of or associated with: (i) all patents and utility models and applications therefor and all rights of priority and all rights in provisionals, re-issuances, continuations, continuations-in-part, divisions, revisions, supplementary protection certificates, extensions and re-examinations thereof and all equivalent or similar rights anywhere in the world in inventions and discoveries including invention disclosures; (ii) all registered and unregistered trade-marks, service marks, trade names, trade dress, logos, business, corporate and product names and slogans and registrations, applications for registration and rights to file applications thereof; (iii) all copyrights in copyrightable works, and all other rights of authorship and all industrial designs and design patents, worldwide, and all applications, registrations and renewals in connection therewith; (iv) all maskworks, maskwork registrations and applications therefor, integrated circuit topographies and registrations and applications therefore and any equivalent or similar rights in semiconductor masks, layouts, architectures or topologies, and (v) all World Wide Web addresses, domain names and sites and applications and registrations therefor;

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

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

"**material adverse effect**" or "**material adverse change**" means any materially adverse change in or effect on the business, assets or properties, affairs, liabilities (contingent or otherwise), prospects, results of operations, capital or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole;

"**Material Agreement**" means any contract, commitment, agreement (written or oral), joint venture instrument, lease or other document, including a license agreement, joint operating agreement, distributorship agreement, supply agreement, farm-out agreement, operating agreement, option agreement or cooperation agreement to which the Corporation or any of its Subsidiaries is a party or by which any of their property or assets are bound pursuant to which the Corporation and any of its Subsidiaries, taken as a whole, will be or may reasonably be expected to result in a requirement to expend more than an aggregate of $50,000 or be entitled to receive revenue of more than $50,000, in either case in the next 12 months;

"**material fact**" means a material fact for the purposes of Applicable Securities Laws or any of them or where undefined under Applicable Securities Laws of a jurisdiction means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Corporation's securities;

"**misrepresentation**" means a misrepresentation for the purposes of Applicable Securities Laws or any of them or where undefined under Applicable Securities Laws of a jurisdiction means: (i) an untrue statement of a material fact; or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*, as amended;

"**Notice**" has the meaning ascribed thereto in section 14;

"**OFAC**" has the meaning ascribed thereto in subsection 6(zz);

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

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

"**Owned IP**" has the meaning ascribed thereto in subsection 6(ooo);

"**Permitted Encumbrances**" means the encumbrances listed in Schedule "C" hereto;

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

"**Private Placement Exemption**" means the "accredited investor" exemption under section 2.3 of NI 45-106 and subsection 73.3(1) of the *Securities Act* (Ontario), as applicable;

"**Purchasers**" mean, collectively, those persons who are purchasing the Equity Units and/or the Debt Units as contemplated herein;

"**Securities Commissions**" mean the applicable securities regulatory authorities in the Offering Jurisdictions;

"**Security Documents**" has the meaning ascribed thereto in subsection 8(e);

"**Share Purchase Agreement**" means the share purchase agreement by and among the Corporation, [Individual Name Redacted] and Apteryx, Inc., dated January 19, 2017, entered into in connection with the Acquisition;

"**Standard Listing Conditions**" has the meaning ascribed thereto in subsection 6(x);

"**Stock Option Plan**" means the shareholder approved stock option plan of the Corporation most recently approved by shareholders of the Corporation on November 3, 2016;

"**Sub-Agents**" has the meaning ascribed thereto in the second paragraph of this Agreement;

"**Subscription Agreements**" mean, collectively, the subscription agreements, including all schedules and appendices thereto, in the forms agreed to between the Corporation and the Agent to be entered into between the Purchasers and the Corporation in respect of the Offerings, as amended or supplemented;

"**Subsidiaries**" means LED Dental Ltd., LED Dental Inc. and Essentia Genetics Corp.;

"**Taxes**" has the meaning ascribed thereto in subsection 6(ddd);

"**Technology**" means any or all of the following and all intellectual property and other rights in, arising out of or associated with: (i) works of authorship including computer programs, source code and executable code, whether embodied in software, firmware or otherwise, documentation, designs, methods, techniques, processes, files, industrial models, industrial designs, schematics, specifications, net lists, build lists, records and data; (ii) inventions (whether or not patentable), improvements and enhancements; (iii) proprietary and confidential business and technical information, including technical data, trade secrets, ideas, research and development and know how; and (iv) databases, data compilations and collections and technical data;

"**to the knowledge of the Corporation**" means the actual knowledge of the executive officers of the Corporation, of the facts or circumstances to which such statements relate as at the date of this Agreement, together with the knowledge which they would have had if such officers had conducted a diligent inquiry into the relevant subject matter;

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

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

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

"**Warrant**" has the meaning ascribed to such term in the first paragraph of this Agreement;

"**Warrant Certificates**" means the certificates to be issued by the Corporation to evidence the Warrants; and

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

The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement. Unless otherwise expressly provided, all amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.

If any provision of this Agreement shall be adjudged by a competent authority to be invalid or for any reason unenforceable, such invalidity or unenforceability shall not affect the validity, enforceability or operation of any other provision herein.

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

Schedule "A" – President's List
Schedule "B" – Intellectual Property
Schedule "C" – Permitted Encumbrances

TERMS AND CONDITIONS

1. **<u>Appointment of Agent</u>**

Based upon the foregoing and subject to the terms and conditions set out below, the Corporation hereby appoints the Agent, and the Agent hereby accepts such appointment, to act as the exclusive agent of the Corporation to effect the sale of the Equity Units and the Debt Units, each on a "best efforts" agency basis to persons resident in the Offering Jurisdictions. The Agent agrees to use its best efforts to sell the Equity Units and the Debt Units, but it is hereby acknowledged and agreed that the Agent shall act as agent only and is under no obligation to purchase any of the Equity Units and/or Debt Units. The Agent will be entitled to appoint Sub-Agents and shall ensure that each such Sub-Agent agrees with the Agent to comply with the covenants and obligations given by the Agent herein. The compensation payable to any such Sub-Agents shall be the sole responsibility of the Agent, and only as permitted by and in compliance with all Applicable Securities Laws, upon the terms and conditions set forth in this Agreement.

2. **<u>Nature of Transaction</u>**

(a) Each Purchaser shall purchase the Equity Units and/or Debt Units, as applicable, under the Private Placement Exemption. The Agent will notify the Corporation with respect to the identity of any Purchaser as soon as practicable and with a view to leaving sufficient time to allow the Corporation to secure compliance with all relevant regulatory requirements of the applicable Offering Jurisdictions relating to the sale of the Units. The Corporation undertakes to file or cause to be filed all forms or undertakings required to be filed by the Corporation and to pay all filing fees in connection with the purchase and sale of the Units so that the distribution of such securities may lawfully occur without the necessity of filing a prospectus or an offering memorandum in Canada or comparable document elsewhere. If requested by the Corporation, the Agent undertakes to use its commercially reasonable efforts to cause Purchasers to complete any forms required by Applicable Securities Laws.

(b) The Corporation understands and agrees that the Agent may arrange for Purchasers of the Units in jurisdictions other than Canada and the United States, on a private placement basis, provided that the purchase of such Units does not contravene Applicable Securities Laws of the jurisdiction where the Purchaser is resident and provided that such sale does not trigger (i) any obligation to prepare and file a prospectus, registration statement or similar disclosure document, or (ii) any registration or other obligation on the part of the Corporation including, but not limited, to any continuing obligation in that jurisdiction.

(c) The Common Share Certificates, the Warrant Certificates and the Debenture Certificates delivered at Closing to respective Purchasers shall contain such restrictive legends as set forth in the Subscription Agreements.

(d) The Equity Broker Warrant Certificate and Debt Broker Warrant Certificate delivered at Closing and, as applicable, the Equity Broker Underlying Warrant Certificates, the Equity Broker Share Certificates, the Equity Broker Underlying Warrant Share Certificates and the Debt Broker Share Certificates shall each contain the following legends:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE CLOSING DATE]."

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT THE DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER THE CLOSING DATE]."

3. **<u>Agent's Compensation – Equity Offering</u>**

(a) In consideration for services to be rendered by the Agent in connection with the Equity Offering, the Corporation shall, subject to the provisions of this Agreement, pay to the Agent by wire transfer of immediately available funds (or effect payment in such other manner as the Corporation and the Agent may agree) a cash fee (the "**Agent's Equity Fee**") equal to 7% of the Equity Gross Proceeds, other than the Equity Gross Proceeds received by the Corporation from Purchasers listed in Schedule "A" hereto. For greater certainty, the Agent's Equity Fee shall not be subject to tax.

(b) In addition to the Agent's Equity Fee, as additional consideration for the services to be rendered by the Agent in connection with the Equity Offering, the Corporation shall issue to the Agent (in such name or names as the Agent may direct in writing) at the Closing Time, such number of broker warrants (the "**Equity Broker Warrants**") as is equal to 7% of the number of the Equity Units issued by the Corporation in connection with the Equity Offering, other than the Equity Units issued by the Corporation to Purchasers listed in Schedule "A" hereto. Each whole Equity Broker Warrant shall be exercisable for one broker unit (the "**Equity Broker Unit**") at any time prior to 5:00 p.m. (Vancouver time) on the date that is 24 months following the Closing Date at a price of $0.06 per Equity Broker Unit. Each Equity Broker Unit shall consist of one Common Share (each an "**Equity Broker Share**") and one-half of one Common Share purchase warrant (each whole warrant, an "**Equity Broker Underlying Warrant**"), with each Equity Broker Underlying Warrant being exercisable for one Common Share (an "**Equity Broker Underlying Warrant Share**") at any time prior to 5:00 p.m. (Vancouver time) on the date that is 24 months following the Closing Date a price of $0.10 per Equity Broker Underlying Warrant Share. The Equity Broker Underlying Warrant Certificates representing the Equity Broker Underlying Warrants shall be substantially in the same form as the Warrant Certificates.

(c) The obligation of the Corporation to pay the Agent's Equity Fee and issue the Equity Broker Warrants in connection with the Equity Offering will arise at the Closing Time against delivery by the Agent of a certified cheque, bank draft or wire transfer payable to the Corporation in an amount equal to the aggregate payment for the Equity Units accepted by the Corporation (or effect payment in such other manner as the Corporation and the Agent may agree) subject to the reduction for the Agent's Equity Fee and expenses.

4. **<u>Agent's Compensation – Debt Offering</u>**

(a) In consideration for services to be rendered by the Agent in connection with the Debt Offering, the Corporation shall, subject to the provisions of this Agreement, pay to the Agent by wire transfer of immediately available funds (or effect payment in such other manner as the Corporation and the Agent may agree) a cash fee (the "**Agent's Debt Fee**") equal to 4% of the Debt Gross Proceeds, other than the Debt Gross Proceeds received by the Corporation from Purchasers listed in Schedule "A" hereto. For greater certainty, the Agent's Debt Fee shall not be subject to tax.

(b) In addition to the Agent's Debt Fee, as additional consideration for the services to be rendered by the Agent in connection with the Debt Offering, the Corporation shall issue to the Agent (in such name or names as the Agent may direct in writing) at the Closing Time, such number of broker warrants (the "**Debt Broker Warrants**") as is equal to 4% of the Debt Gross Proceeds, other than the Debt Gross Proceeds received by the Corporation from Purchasers listed in Schedule "A" hereto, divided by $0.10. Each whole Debt Broker Warrant shall be exercisable for one Common Share (a "**Debt Broker Share**") at any time prior to 5:00 p.m. (Vancouver time) on the date that is 24 months following the Closing Date a price of $0.10 per Debt Broker Share. The Equity Broker Warrants, the Equity Broker Shares and Equity Broker Underlying Warrants comprising the Equity Broker Units, the Equity Broker Underlying Warrant Shares, the Debt Broker

Warrants, and the Debt Broker Shares shall hereinafter be collectively referred to as the "**Broker Securities**".

(c) The obligation of the Corporation to pay the Agent's Debt Fee and issue the Debt Broker Warrants in connection with the Debt Offering will arise at the Closing Time against delivery by the Agent of a certified cheque, bank draft or wire transfer payable to the Corporation in an amount equal to the aggregate payment for the Debt Units accepted by the Corporation (or effect payment in such other manner as the Corporation and the Agent may agree) subject to the reduction for the Agent's Debt Fee and expenses.

5. **Covenants and Certification of the Agent**

The Agent covenants with the Corporation that it, and its affiliates, will:

(a) not take any action that would prevent the Corporation from relying on the exemptions from the prospectus requirements of Applicable Securities Laws as contemplated by the Subscription Agreements;

(b) conduct activities in connection with arranging for Purchasers in compliance with Applicable Securities Laws;

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

(d) not solicit offers to purchase or sell the Units so as to require registration thereof or filing of a prospectus with respect thereto or continuing obligations on the part of the Corporation under the laws of any jurisdiction including, without limitation, the United States or any state thereof, and not solicit offers to purchase or sell the Units in any jurisdiction outside of Canada where the solicitation or sale of the Units would result in any statutory ongoing disclosure requirements in such jurisdiction or any registration requirements in such jurisdiction on the part of the Corporation except for the filing of a notice or report of the solicitation or sale or obligate the Corporation to establish or maintain any office, agent, director or officer in such jurisdiction;

(e) refrain from any form of general advertising or any form of general solicitation in connection with the Offerings in: (A) printed media of general and regular circulation or any similar medium; (B) radio; (C) television; or (D) electronic media or conduct any seminar or meeting concerning the offer and sale of the Units whose attendees have been invited by any form of general solicitation or general advertising, and not make use of any green sheet or other internal marketing document without the written consent of the Corporation, such consent to be promptly considered and not to be unreasonably withheld or delayed;

(f) obtain from each Purchaser an executed Subscription Agreement and deliver such Subscription Agreements to the Corporation; and

(g) comply with the obligations and each of the covenants of the Agent set out in the Collateral Agency Agreement.

The Agent hereby certifies that it is an "accredited investor" as such term is defined under NI 45-106 and 73.3(1) of the *Securities Act* (Ontario), as applicable, by virtue of being a company registered under the securities legislation of a jurisdiction of Canada as an advisor or dealer and is acquiring the Equity Broker Warrants and the Debt Broker Warrants as principal for its own account and not for the benefit of any other person.

6. **Representations and Warranties of the Corporation**

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

(a) the Corporation (i) is duly existing under the Corporations Act and is and will at the Closing Time be up-to-date in all material corporate filings and in good standing under the Corporations Act; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets; and (iii) has all requisite corporate power and authority to issue and sell the Common Shares and Warrants comprising the Equity Units, and the Warrant Shares upon the proper exercise of the Warrants, and to issue and sell the Debentures and Common Shares comprising the Debt Units, and to issue the Equity Broker Warrants, the Equity Broker Units upon the proper exercise of the Equity Broker Warrants, and the Equity Broker Underlying Warrant Shares upon the proper exercise of the Equity Broker Underlying Warrants, and to issue the Debt Broker Warrants, and the Debt Broker Shares upon the proper exercise of the Debt Broker Warrants, and to enter into this Agreement, the Debenture Certificates, and the Warrant Certificates, Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate, and to carry out its obligations hereunder and thereunder;

(b) the Subsidiaries are the only subsidiaries of the Corporation and all of the securities of such Subsidiaries are held directly or indirectly by the Corporation free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims and demands whatsoever and the Corporation is entitled to the full beneficial ownership of all such shares in the Subsidiaries. All of such shares in the capital of the Subsidiaries have been duly authorized and validly issued and are outstanding as fully paid shares and no person, other than the Corporation or a subsidiary thereof has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from the Corporation of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the Subsidiaries or any other security convertible into or exchangeable for any such shares;

(c) each of the Subsidiaries: (i) has been duly incorporated in its jurisdiction of incorporation and is and will at the Closing Time be up-to-date in all material corporate filings and in good standing under the laws of its jurisdiction; and (i) has all requisite corporate power and authority to carry on its business as now conducted and to own, lease and operate its properties and assets;

(d) each of the Corporation and the Subsidiaries is, in all material respects, conducting its business in compliance with Applicable Securities Laws and all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and each is licensed, registered or qualified in all jurisdictions in which it is required to be licensed, registered or qualified and all such licenses, registrations and qualifications are, and will at the Closing Time, be, valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations, licenses, registrations and qualifications which could have a material adverse effect;

(e) except as set out in Schedule "C" hereto, the Corporation and each of the Subsidiaries are the legal and beneficial owner, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, of the interests in personal property referred to as owned by it in the Corporation's Information Record and described in the Corporation's Information Record, and all agreements under which the Corporation and each of the Subsidiaries hold an interest in personal property are in good standing according to their terms;

(f) no proceedings have been taken, instituted or, to the knowledge of the Corporation, are pending for the dissolution or liquidation of the Corporation or any of the Subsidiaries and neither the Corporation nor the Subsidiaries have committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed or taken any proceedings with respect to a compromise or arrangement to the creditors thereof generally, or taken any proceedings to be declared bankrupt or wound up, or to have a receiver appointed over any of the assets thereof;

(g) except as disclosed to the Agent and the Purchasers and/or in the Corporation's Information Record, there are no material actions, proceedings or investigations (whether or not by or on behalf of the Corporation or the Subsidiaries) or to the knowledge of the Corporation threatened or pending, against or affecting the Corporation or the Subsidiaries at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign;

(h) the Corporation is not aware of any legislation, or proposed legislation, which it anticipates will have a material adverse effect;

(i) other than the Share Purchase Agreement, neither the Corporation nor the Subsidiaries have approved or entered into any agreement which remains in force in respect of, or received any written notice with respect to: (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Corporation or the Subsidiaries whether by asset sale, transfer of shares or otherwise; (ii) the change of control of the Corporation or any Subsidiary (whether by sale or transfer of shares or sale of all or substantially all of the property or assets of the Corporation or any Subsidiary or otherwise); or (iii) to the knowledge of the Corporation, a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares;

(j) neither the Corporation nor the Subsidiaries is in default or in breach in any material respect of the constating documents, by-laws or resolutions of its directors or shareholders or any Debt Instrument, Material Agreement, or any judgment, decree, order, statute, rule or regulation applicable to any of them;

(k) the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate, and the performance by the Corporation of its obligations hereunder and thereunder and the transactions contemplated hereby and thereby, including the issuance, sale and delivery of the Common Shares and Warrants comprising the Equity Units, and the Warrant Shares upon the proper exercise of the Warrants, the issuance, sale and delivery of the Debentures and Common Shares comprising the Debt Units, the issuance of the Equity Broker Warrants, the Equity Broker Units upon the proper exercise of the Equity Broker Warrants, and the Equity Broker Underlying Warrant Shares upon the proper exercise of the Equity Broker Underlying Warrants, and the issuance of the Debt Broker Warrants, and the Debt Broker Shares upon the proper exercise of the Debt Broker Warrants have been duly authorized by all necessary corporate action of the Corporation and this Agreement which has been executed and delivered by the Corporation and the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate, when executed and delivered by the Corporation, constitute and will constitute at the Closing Time, a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, provided that enforcement thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable;

(l) the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate, and the fulfillment of the terms hereof and thereof by the Corporation and the issuance, sale and delivery of the Common Shares and Warrants comprising the Equity Units, and the Warrant Shares upon the proper exercise of the Warrants, the issuance, sale and delivery of the Debentures and Common Shares comprising the Debt Units, the issuance of the Equity Broker Warrants, the Equity Broker Units upon the proper exercise of the Equity Broker Warrants, and the Equity Broker Underlying Warrant Shares upon the proper exercise of the Equity Broker Underlying Warrants, and the issuance of the Debt Broker Warrants, and the Debt Broker Shares upon the proper exercise of the Debt Broker Warrants, do not and will not require the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, quotation system, Securities Commission or other third party, except: (i) such as have been obtained; or (ii) such as may be required and will be obtained by the Closing Time or within the applicable time frames following the Closing Time as permitted by Applicable Securities Laws or the rules of the Exchange, subject to such customary conditions as applicable to each such obligations;

(m) the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate, and the fulfillment of the terms hereof and thereof by the Corporation and the issuance, sale and delivery of the Common Shares and Warrants comprising the Equity Units, and the Warrant Shares upon the proper exercise of the Warrants, the issuance, sale and delivery of the Debentures and Common Shares comprising the Debt Units, the issuance of the Equity Broker Warrants, the Equity Broker Units upon the proper exercise of the Equity Broker Warrants, and the Equity Broker Underlying Warrant Shares upon the proper exercise of the Equity Broker Underlying Warrants, and the issuance of the Debt Broker Warrants, and the Debt Broker Shares upon the proper exercise of the Debt Broker Warrants, do not and will not result in a breach of or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under, and do not and will not conflict with the terms or provisions of (i) the constating documents of the Corporation or its Subsidiaries or any resolutions of the shareholders or directors of the Corporation or its Subsidiaries, (ii) any Debt Instrument or Material Agreement, or (ii) any judgment, decree, order, statute, rule or regulation applicable to the Corporation or the Subsidiaries, which breach or default would have a material adverse effect;

(n) the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate, and the fulfillment of the terms hereof and thereof by the Corporation and the issuance, sale and delivery of the Common Shares and Warrants comprising the Equity Units, and the Warrant Shares upon the proper exercise of the Warrants, the issuance, sale and delivery of the Debentures and Common Shares comprising the Debt Units, the issuance of the Equity Broker Warrants, the Equity Broker Units upon the proper exercise of the Equity Broker Warrants, and the Equity Broker Underlying Warrant Shares upon the proper exercise of the Equity Broker Underlying Warrants, and the issuance of the Debt Broker Warrants, and the Debt Broker Shares upon the proper exercise of the Debt Broker Warrants, do not and will not give rise to any lien, charge or claim in or with respect to the properties or assets now owned or hereafter acquired by the Corporation and the Subsidiaries or the acceleration of or the maturity of any debt under any indenture, mortgage, lease, agreement or instrument binding or affecting the Corporation or any of the Subsidiaries or any of their respective properties;

(o) all necessary corporate action has been taken or will have been taken prior to the Closing Time by the Corporation so as to validly: (i) issue and sell the Common Shares partially comprising the Equity Units as fully paid and non-assessable Common Shares; (ii) issue and sell the Common Shares partially comprising the Debt Units as fully paid and non-assessable Common Shares; (iii) create, issue and sell the Warrants partially comprising the Equity Units; (iv) create, issue and sell the Debentures partially comprising the Debt Units; (v) create and issue the Equity Broker Warrants; (vi) create and issue the Debt Broker Warrants; and (vii) create and reserve for issuance the Warrant Shares, the Equity Broker Shares and Equity Broker Underlying Warrants comprising the Equity Broker Units, the Equity Broker Underlying Warrant Shares, and the Debt Broker Shares;

(p) the Common Shares partially comprising each of the Equity Units and the Debt Units to be issued and sold as contemplated in this Agreement have been, or prior to the Closing Time, will be, duly and validly authorized and reserved for issuance and when certificates representing the Common Shares have been countersigned by the Transfer Agent (or other electronic delivery thereof has been effected), issued, delivered and paid for, the Common Shares partially comprising each of the Equity Units and the Debt Units will be validly issued as fully paid and non-assessable Common Shares, and all statements made in this Agreement and in the Subscription Agreement describing the Common Shares (including their attributes) are, and will be, as applicable, accurate in all material respects;

(q) the Warrants partially comprising the Equity Units to be issued and sold as contemplated in this Agreement have been, or prior to the Closing Time will be, duly and validly authorized and created and, upon receipt by the Corporation of the aggregate consideration thereof and when the Warrant Certificates have been executed by the Corporation (or other electronic delivery thereof has been effected) and delivered by the

Corporation, will be validly issued, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Warrants (including their attributes) will be accurate in all material respects;

(r) the Warrant Shares to be issued and sold upon the proper exercise of the Warrants have been, or prior to the Closing Time, will be, duly and validly authorized and reserved for issuance and, upon the proper exercise of the Warrants in accordance with their terms, and when certificates representing the Warrant Shares have been countersigned by the Transfer Agent (or other electronic delivery thereof has been effected), issued, delivered and paid for, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Warrant Shares (including their attributes) will be accurate in all material respects;

(s) the Debentures partially comprising the Debt Units to be issued and sold as contemplated in this Agreement have been, or prior to the Closing Time will be, duly and validly authorized and created and, upon receipt by the Corporation of the aggregate consideration thereof and when the Debenture Certificates have been executed by the Corporation and delivered by the Corporation, will be validly issued, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Debentures (including their attributes) will be accurate in all material respects;

(t) the Equity Broker Warrants to be issued to the Agent (or as directed by the Agent in accordance with the terms of this Agreement) as contemplated in this Agreement have been, or prior to the Closing Time will be, duly and validly authorized and created and, when the Equity Broker Warrant Certificate has been executed by the Corporation (or other electronic delivery thereof has been effected) and delivered by the Corporation, will be validly issued, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Equity Broker Warrants (including their attributes) will be accurate in all material respects;

(u) the Equity Broker Shares partially comprising the Equity Broker Units to be issued and sold upon the proper exercise of the Equity Broker Warrants, have been, or prior to the Closing Time, will be, duly and validly authorized and reserved for issuance and, upon the proper exercise of the Equity Broker Warrants in accordance with their terms, and when certificates representing the Equity Broker Shares have been countersigned by the Transfer Agent (or other electronic delivery thereof has been effected), issued, delivered and paid for, the Equity Broker Shares will be validly issued as fully paid and non-assessable Common Shares, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Equity Broker Shares (including their attributes) are, and will be, as applicable, accurate in all material respects;

(v) the Equity Broker Underlying Warrants partially comprising the Equity Broker Units to be issued and sold upon the proper exercise of the Equity Broker Warrants, have been, or prior to the Closing Time will be, duly and validly authorized and created and, upon the proper exercise of the Equity Broker Warrants in accordance with their terms, and when the Equity Broker Underlying Warrant Certificates have been executed by the Corporation (or other electronic delivery thereof has been effected) and delivered by the Corporation, will be validly issued, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Equity Broker Underlying Warrants (including their attributes) will be accurate in all material respects;

(w) the Equity Broker Underlying Warrant Shares to be issued and sold upon the proper exercise of the Equity Broker Underlying Warrants have been, or prior to the Closing Time, will be, duly and validly authorized and reserved for issuance and, upon the proper exercise of the Equity Broker Underlying Warrants in accordance with their terms, and when certificates representing the Equity Broker Underlying Warrant Shares have been countersigned by the Transfer Agent (or other electronic delivery thereof has been effected), issued, delivered and paid for, the Equity Broker Underling Warrant Shares will be validly issued as fully paid and non-assessable Common Shares, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Equity Broker Underlying Warrant Shares (including their attributes) will be accurate in all material respects;

(x) the Debt Broker Warrants to be issued to the Agent (or as directed by the Agent in accordance with the terms of this Agreement) as contemplated in this Agreement have been, or prior to the Closing Time will be, duly and validly authorized and created and, when the Debt Broker Warrant Certificate has been executed by the Corporation (or other electronic delivery thereof has been effected) and delivered by the Corporation, will be validly issued, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Debt Broker Warrants (including their attributes) will be accurate in all material respects;

(y) the Debt Broker Shares to be issued and sold upon the proper exercise of the Debt Broker Warrants, have been, or prior to the Closing Time, will be, duly and validly authorized and reserved for issuance and, upon the proper exercise of the Debt Broker Warrants in accordance with their terms, and when certificates representing the Debt Broker Shares have been countersigned by the Transfer Agent (or other electronic delivery thereof has been effected), issued, delivered and paid for, the Debt Broker Shares will be validly issued as fully paid and non-assessable Common Shares, and all statements made in this Agreement and in the applicable Subscription Agreement describing the Debt Broker Shares (including their attributes) are, and will be, as applicable, accurate in all material respects;

(z) all consents, approvals, permits, authorizations or filings as may be required under Applicable Securities Laws necessary for the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate, and the issuance, sale and delivery of the Common Shares and Warrants comprising the Equity Units, and the Warrant Shares upon the proper exercise of the Warrants, the issuance, sale and delivery of the Debentures and Common Shares comprising the Debt Units, the issuance of the Equity Broker Warrants, the Equity Broker Units upon the proper exercise of the Equity Broker Warrants, and the Equity Broker Underlying Warrant Shares upon the proper exercise of the Equity Broker Underlying Warrants, and the issuance of the Debt Broker Warrants, and the Debt Broker Shares upon the proper exercise of the Debt Broker Warrants, and the completion of the transactions contemplated hereby and thereby, have been made or obtained or will be obtained prior to the Closing Time, as applicable, subject only to certain customary conditions and exceptions (the "**Standard Listing Conditions**") that will be contained in the approval from the Exchange in connection with the Offerings and the Corporation filing with the applicable Securities Commissions, within 10 days from the Closing Date, a Form 45-106F1 prepared and executed in accordance with Applicable Securities Laws and accompanied by the prescribed fees and fee checklist form, if any;

(aa) all information which has been prepared by the Corporation relating to the Corporation, the Subsidiaries, their respective businesses, properties and liabilities and all financial, marketing, sales and operational information provided to the Agent in connection with the transactions contemplated hereby are, as of the date of such information, true and correct in all material respects, and no fact or facts to the knowledge the Corporation have been omitted therefrom which would make such information misleading;

(bb) the Corporation has provided the Agent with full access to all material due diligence materials and the Corporation is not aware of any misrepresentations in any such materials or information which could now, or upon or after completion of the Offerings, be reasonably expected to have a material adverse effect;

(cc) the Corporation has provided the Agent with all information reasonably requested by the Agent in connection with the Offerings. There is no material fact known to the Corporation that has not been disclosed herein, or to the Agent on behalf of the Subscribers in connection with the transactions contemplated hereby and which would result in a material adverse effect. The Corporation has not withheld form the Agent any material fact relating to the Corporation or the Offerings;

(dd) the information provided at the Due Diligence Session held on February 6, 2017 (including responses or portions of such responses which are forward-looking or otherwise relate to projections, forecasts or estimates of future performance or results (collectively the "**Forward-Looking Statements**")) was, or if supplied after the date hereof, will at the date of supply be, true and accurate in all material respects, the Forward-Looking Statements were honestly held and believed to be reasonable at the time they were given and the Corporation and its directors and officers will have responded in a thorough and complete fashion, however it shall not constitute a breach of this subsection 6(dd) solely if the actual results vary from those contained in the Forward-Looking Statements;

(ee) the Corporation intends to use the net proceeds of the Offerings to fund the purchase of Apteryx, Inc., in connection with the acquisition of Apteryx, Inc. by the Corporation (the "**Acquisition**"), and for working capital and general corporate purposes;

(ff) except as contemplated hereby, there is no person acting at the request of the Corporation who is entitled to any brokerage or agency fee in connection with the transactions contemplated herein;

(gg) the authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 116,428,516 Common Shares of the Corporation are issued and outstanding as fully paid and non-assessable shares of the Corporation;

(hh) except for Common Shares issuable in connection with the Share Purchase Agreement, 5,394,332 options issued pursuant to the Stock Option Plan to purchase Common Shares of the Corporation, 360,000 deferred share units issued pursuant to the Corporation's Deferred Share Unit Plan and up to an additional 1,050,000 deferred share units issuable in connection with outstanding directors' fees and voluntary pay reductions and 17,242,604 warrants issued and outstanding as at the date hereof, no person has any agreement or option or right or privilege (whether at law, preemptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Corporation;

(ii) to the knowledge of the Corporation, no agreement is in force or effect which in any manner affects the voting or control of any of the securities of the Corporation or any Subsidiary;

(jj) the Transfer Agent at its principal offices in the City of Vancouver has been appointed as the registrar and transfer agent for the Common Shares;

(kk) the definitive form of certificate representing the Common Shares has been duly approved and adopted by the Corporation and complies with the requirements of the *Business Corporations Act* (British Columbia) and the requirements of the Exchange and does not conflict with the constating documents of the Corporation, and the definitive forms of each of the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate have been duly approved and adopted by the Corporation and comply with all legal requirements relating thereto;

(ll) the currently issued and outstanding Common Shares of the Corporation are listed and posted for trading on the Exchange and no order ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Common Shares and Warrants comprising the Equity Units, and the Warrant Shares upon the proper exercise of the Warrants, the sale of the Debentures and Common Shares comprising the Debt Units, the issuance of the Equity Broker Warrants, the Equity Broker Units upon the proper exercise of the Equity Broker Warrants, and the Equity Broker Underlying Warrant Shares upon the proper exercise of the Equity Broker Underlying Warrants, or the issuance of the Debt Broker Warrants, and the Debt Broker Shares upon the proper exercise of the Debt Broker Warrants, has been issued and no proceedings for such purpose are, to the best of the Corporation's knowledge, information and belief, threatened or pending;

(mm) neither the Corporation nor its Subsidiaries has taken or will prior to the Closing Date take any action which would be reasonably expected to result in the delisting or suspension of its Common Shares on or from the Exchange and the Corporation is in compliance in all material respects with the rules and regulations of the Exchange;

(nn) the Corporation has not declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its shares and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or agreed to do so or otherwise effected any return of capital with respect to such shares;

(oo) the Corporation is a “reporting issuer”, not included in a list of defaulting reporting issuers maintained by the Securities Commission of each of the provinces of Alberta, British Columbia and Ontario, and in particular, without limiting the foregoing, the Corporation has at all relevant times complied with its obligations to make timely disclosure of all material changes relating to it, no such disclosure has been made on a confidential basis that is still maintained on a confidential basis, and there is no material change relating to the Corporation which has occurred and with respect to which the requisite material change report has not been filed with the Securities Commissions in the provinces of Alberta, British Columbia and Ontario, except to the extent that the Offerings constitutes a material change;

(pp) since September 30, 2016, except as disclosed in the Corporation's Information Record:

(i) there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Corporation and the Subsidiaries, on a consolidated basis;

(ii) there has not been any material change in the capital stock or long-term debt of the Corporation and the Subsidiaries, on a consolidated basis; and

(iii) the Corporation and the Subsidiaries have carried on their respective businesses in the ordinary course;

(qq) the audited annual consolidated financial statements of the Corporation for the years ended December 31, 2015 and 2014 and the unaudited interim consolidated financial statements of the Corporation for the nine-month periods ended September 30, 2016 and 2015 (the "**Financial Statements**") have been prepared in accordance with International Financial Reporting Standards, and contain no misrepresentation and present fairly, in all material respects, the financial condition of the Corporation and the Subsidiaries, on a consolidated basis, as at the respective dates thereof;

(rr) there are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Corporation or any of its Subsidiaries with unconsolidated entities or other persons that, to the best of the Corporation's knowledge, could reasonably be expected to have a material adverse effect;

(ss) neither the Corporation nor the Subsidiaries has any liabilities, direct or indirect, contingent or otherwise, not disclosed in the Financial Statements which, to the best of the Corporation's knowledge, has or would reasonably be expected to have a material adverse effect;

(tt) the Corporation and each of the Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards 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;

(uu) the auditors of the Corporation who audited the consolidated financial statements of the Corporation for the years ended December 31, 2015 and 2014 are independent public accountants as required by the Applicable Securities Laws of Canada;

(vv) there has not been any "reportable event" (within the meaning of National Instrument 51 102 – *Continuous Disclosure Obligations*) with the present or any former auditor of the Corporation;

(ww) the Corporation is in compliance with the certification requirements contained in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim*

Filings of the Canadian Securities Administrators with respect to the Corporation's annual and interim filings with Canadian securities regulators;

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

(yy) the Corporation, its affiliates, and its directors, officers, supervisors, managers, agents, and employees, and any persons acting on behalf of any such persons, have conducted at all times, are conducting, and will continue to conduct, its operations in full compliance with the Anti-Corruption Rules of all applicable jurisdictions and no action, suit, investigation or proceeding by or before any governmental authority or any arbitrator involving the Corporation or any of its directors, officers, supervisors, managers, agents, employees, or affiliates, or any persons acting on behalf of any such persons, with respect to a violation or potential violation of Anti-Corruption Rules is pending or threatened;

(zz) neither the Corporation nor any of its directors, officers, agents, employees, or affiliates, or any persons acting on behalf of any such persons, is a "listed entity", "designated person" or "listed person" under Part II.1 of the *Criminal Code* (Canada) or an order or regulation issued under the *United Nations Act* (Canada) or the *Special Economic Measures Act* (Canada) (collectively, "**Canadian Sanctions Laws**") or is the subject of any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Corporation will not, directly or indirectly, use the proceeds of the Offerings, 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 or entity that is listed or designated under Canadian Sanctions Laws or is, to its knowledge, the subject of any sanctions administered by OFAC;

(aaa) the Corporation, the activities and operations of the Corporation and all of its respective directors, officers, agents, employees, affiliates or persons acting on behalf of any such persons, are, have been and will continue to be conducted at all times in compliance with the anti-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 agency to which they are subject (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any governmental authority or any arbitrator involving the Corporation with respect to the Anti-Money Laundering Laws is, to the best of the knowledge, information and belief of the Corporation, pending or threatened;

(bbb) neither the Corporation nor the Subsidiaries, nor to the best of the Corporation's knowledge, information and belief, any other person, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Corporation or the Subsidiaries or such other person, as applicable, under any Debt Instrument or Material Agreement which could have a material adverse effect, and all such Debt Instruments and Material Agreements are in good standing, and no event has occurred which with notice or lapse of time or both would constitute such a default thereunder by the Corporation, the Subsidiaries or, to the best of the Corporation's knowledge, information and belief, any other party;

(ccc) the Corporation has duly filed or delivered all reports, filings, disclosures, releases and other materials required to be filed with or delivered to any securities regulatory authority having jurisdiction under applicable laws (including, without limitation, periodic timely disclosure filings and other materials required to be filed by a "reporting issuer" under Applicable Securities Laws in the provinces of Alberta, British Columbia and Ontario) and all such reports, filings, disclosures, releases or other materials were prepared in compliance with applicable laws (including Applicable Securities Laws) and, as of the date of the filing or delivery thereof, none of such reports, filings, disclosures, releases or other materials contained any misrepresentation;

(ddd) except as disclosed in the Financial Statements, all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Corporation or any of its Subsidiaries have been paid. All tax returns, declarations, elections, payments, withholdings, remittances and filings of any kind required by applicable laws to be filed or made by the Corporation or any of its Subsidiaries have been filed or made within the applicable statutory periods with all appropriate governmental authorities and all such returns, declarations, elections, payments, withholdings, remittances and filings are complete and materially accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the best of the knowledge of the Corporation and the Subsidiaries, no examination by any governmental authority of any tax return of the Corporation or any of its Subsidiaries or audit of any Taxes is currently in progress except in the ordinary course and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by the Corporation and any of its Subsidiaries;

(eee) neither the Corporation nor the Subsidiaries is party to any material Debt Instrument or has any material loans or other indebtedness outstanding with any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with the Corporation or any Subsidiary other than as disclosed in the Corporation's Information Record;

(fff) the Corporation will obtain any necessary regulatory consents and approvals from the Exchange and other applicable regulatory authorities, stock exchanges and quotation systems in connection with the Offerings;

(ggg) the Corporation will arrange for the listing of the Common Shares partially comprising each of the Equity Units and the Debt Units, the Equity Broker Shares, the Warrant Shares, the Equity Broker Underlying Warrant Shares and the Debt Broker Shares on the Exchange effective as of the Closing Date;

(hhh) none of the directors or officers of the Corporation, any known holder of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing persons or companies has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected, is material to or will materially affect the Corporation and the Subsidiaries on a consolidated basis other than as described in the Corporation's Information Record;

(iii) the assets of the Corporation and the Subsidiaries and their business and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and in such amounts that are customary in the business in which it is engaged and the current stage of its development and operation, and such coverage is in full force and effect and will be in full force and effect on the Closing Date, and neither the Corporation nor the Subsidiaries have failed to promptly give any notice or present any material claim thereunder;

(jjj) the Corporation's Information Record and all other information which has been prepared by the Corporation relating to the Corporation or the Subsidiaries and their respective businesses, property and liabilities and either publicly disclosed or provided to the Agent, are, as of the date of such information, true and correct in all material respects and does not contain a misrepresentation, and no material fact or facts have been omitted therefrom which would make such information materially misleading and the Corporation is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under the secondary market liability disclosure provisions of the *Securities Act* (British Columbia) or analogous secondary market liability disclosure provisions under Applicable Securities Laws in the provinces of Alberta, British Columbia and Ontario;

(kkk) the minute books and records of the Corporation and Subsidiaries which the Corporation has made or will make available to the Agent and their counsel in connection with their due diligence investigation of the Corporation and the Subsidiaries are all of the minute books and substantially all the records of the Corporation and the Subsidiaries for such periods and contain copies of all constating documents and all proceedings of holders of Common Shares and directors, including any committee of directors, and are complete in all material respects. There have been no other material meetings, resolutions or proceedings of the holders of Common Shares, board of directors or committees thereof of the Corporation or the Subsidiaries during the periods requested that are not reflected in such minute books and other records;

(lll) except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect:

(i) neither the Corporation nor its Subsidiaries are in violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");

(ii) each of the Corporation and its Subsidiaries has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws; and

(iii) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation or its Subsidiaries, as the case may be;

(mmm) except as has been publicly disclosed, there have been no past unresolved, and, to the Corporation's knowledge, there are no pending or threatened, claims, complaints, notices or requests for information received by the Corporation or the Subsidiaries with respect to any alleged material violation of any law, statute, order, regulation, ordinance or decree and no conditions exist at, on or under any properties now or previously owned, operated or leased by the Corporation or the Subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, in either case has, or may reasonably be expected to have, a material adverse effect;

(nnn) all filings by the Corporation, pursuant to which the Corporation has received or is entitled to receive government incentives, have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could reasonably be expected to cause any amount previously paid to the Corporation, or previously accrued on the accounts thereof, to be recovered or disallowed;

(ooo) Schedule "B" hereto contains a complete and accurate list of all Intellectual Property and Technology that the Corporation and each of the Subsidiaries currently owns, uses or has the right to use or otherwise exploit in the conduct of its business, and specifies, for each item, which entity among the Subsidiaries and the Corporation owns the Intellectual Property or Technology ("**Owned IP**") and in the case of the Owned IP that is the subject of registration or application for registration, contains a list of all the jurisdictions in which such Intellectual Property or Technology has been issued or registered or in which an application for such issuance and registration has been filed, including the respective registration or application numbers, the application or issue date and the names of all registered owners. Each such registration and application for registration (i) was timely filed and was or is diligently prosecuted, (ii) is subsisting, in good standing and valid, (iii) has been maintained or renewed as required, (iv) is not the subject of any security agreement or encumbrance other than Permitted Encumbrances, (v) is recorded only in the name of the Corporation or one of the Subsidiaries in the applicable intellectual property office operated by the relevant governmental authority, (vi) has not expired or been finally rejected, withdrawn, opposed, cancelled, expunged, impeached, revoked, rectified, invalidated or had its term reduced, and (vii) is not the subject of any legal proceeding, in progress, pending or threatened, including any opposition, non-use, cancellation, expungement, impeachment, revocation, rectification, invalidation, compulsory licence, notice of compliance proceeding or any proceeding analogous to any of the foregoing, or any domain name dispute resolution proceeding, anywhere in the world, nor is the Corporation aware of any fact, matter or circumstance which might result in any such legal proceeding or other proceeding;

(ppp) the Business IP constitutes all of the Intellectual Property and Technology necessary to conduct fully the business of each of the Corporation and each of the Subsidiaries as it is currently conducted and as currently proposed to be conducted. The Corporation has sufficient rights to use and otherwise exploit the Business IP in connection with the operation of the business of the Corporation and the consummation of the transactions contemplated by this Agreement will not constitute or result in a breach or violation of, a default, termination or right of termination under, the creation or acceleration of any obligations under, of the creation of any lien, hypothec or encumbrance on the Business IP;

(qqq) the Corporation or one of the Subsidiaries owns all right, title and interest in and to the Owned IP free and clear of any encumbrances other than encumbrances in the process of being discharged, which are disclosed in Schedule "B" hereto, and has sole and exclusive rights (and is not contractually obligated to pay any compensation to any other person in respect thereof except for those instances disclosed in Schedule “B” hereto, which are also disclosed in the Corporation’s Information Record) to the use thereof or the material covered thereby. The Owned IP does not contain or embody, or require for its full and proper operation, any Intellectual Property or Technology owned by any other person;

(rrr) each Material Agreement, entered into in connection with the Licensed IP is valid and subsisting as at the date hereof. The Corporation and each of the Subsidiaries has the right to use the Licensed IP that it uses or otherwise exploits or that is currently incorporated in or distributed with, or that the Corporation and each of the Subsidiaries has contemplated incorporating in or distributing with, the Corporation's and each of the Subsidiaries' products to distributors, resellers and end-users of such products;

(sss) to the knowledge of the Corporation, none of the Business IP nor any service rendered by the Corporation or any of the Subsidiaries, nor any product currently or proposed to be developed, manufactured, produced or used by the Corporation or any of the Subsidiaries infringes upon any of the Intellectual Property or Technology owned or held by any other person. Neither the Corporation nor any of the Subsidiaries nor, to the Corporation's knowledge any of their respective directors, officers or employees ever received any charge, complaint, claim, demand or notice alleging any interference, infringement, misappropriation or violation with respect to any Business IP (including any claim that the Corporation, any of the Subsidiaries and/or such persons must license or refrain from using any Intellectual Property or Technology of a third party), nor to the knowledge of the Corporation are there any valid grounds for any bona fide claims;

(ttt) to the knowledge of the Corporation, there is no and has not been any unauthorized use, infringement or misappropriation of any Owned IP by any other person. Neither the Corporation nor any of the Subsidiaries has covenanted or agreed with any person not to sue or otherwise enforce any legal rights with respect to any Business IP;

(uuu) except as has been publicly disclosed, neither the Corporation nor any of the Subsidiaries has since the date of its incorporation authorized any person (other than its employees and independent contractors in the ordinary course of business) to use, or granted any person any option to acquire any rights to or licences to use, sell, assign or otherwise transfer, any of the Business IP;

(vvv) the Corporation and each of the Subsidiaries has taken all commercially reasonable steps (including measures to protect secrecy and confidentiality) to protect the Corporation's and each of the Subsidiaries' right, title and interest in and to all Business IP. All potential customers, customers, agents and representatives of the Corporation and each of the Subsidiaries who have or have had access to confidential Business IP and any confidential or proprietary information of the Corporation and each of the Subsidiaries have a legal obligation of confidentiality to the Corporation and each of the Subsidiaries with respect to such information;

(www) all of the current and past executive officers of the Corporation and each of the Subsidiaries and all of the current and past employees and contractors of the Corporation and each of the Subsidiaries employed or engaged in research and development activities duly executed and delivered Employee IP Agreements on or before the date of commencement of their respective employment with the Corporation and each of the Subsidiaries, which Employee IP Agreements effect the assignment, without additional consideration, to the Corporation or one of the Subsidiaries of all Intellectual Property created, invented, conceived or reduced to practice during the course of their employment or engagement with the Corporation or one of the Subsidiaries. Such Employee IP Agreements provide that the employees and consultants, as the case may be, have waived all of their non-assignable rights (including moral rights) in such Intellectual Property. The Corporation is not aware of any breach of any of the Employee IP Agreements;

(xxx) any disclosure by the Corporation or any of the Subsidiaries or their respective employees or agents of Owned IP whose validity, enforceability, value or benefit to the Corporation or any of the Subsidiaries depends on its confidentiality has been made pursuant to a valid, binding and enforceable non-disclosure agreement, which non-disclosure agreement has not and will not result in the deemed acquisition by any person of any right, title or interest, or the deemed grant of any license, to use any of the Owned IP for any commercial purpose. No disclosure of the Owned IP has been made by the Corporation, any of the Subsidiaries or any of their respective employees in a manner that would prevent the Corporation, any of the Subsidiaries or any of their successors in interest, if any, from obtaining a patent in respect of any Owned IP that would otherwise be eligible to patent;

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

(zzz) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments as required by applicable law have been reflected in the books and records of the Corporation or the Subsidiaries, except for up to an additional 1,050,000 deferred share units issuable in connection with outstanding directors' fees and voluntary pay reductions;

(aaaa) there has never been, there is not currently and the Corporation does not anticipate any material labour disruption with respect to the employees or consultants of the Corporation which is adversely affecting or could adversely affect the plans of the Corporation or the Subsidiaries or the carrying on of the business of the Corporation or the Subsidiaries; and

(bbbb) the Corporation and its Subsidiaries are in material compliance with all applicable laws, regulations and policies respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages;

(cccc) any and all of the material agreements and other documents and instruments pursuant to which the Corporation and each of the Subsidiaries holds its property and assets (including any interest in, or right to earn an interest in, any property or assets) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof. Neither the Corporation nor any of the Subsidiaries are in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated. All leases, licences and claims pursuant to which the Corporation or any of the Subsidiaries derives the interests thereof in such material property and assets are in good standing and there has been no material default under any such lease, licence or claim. The properties (or any interest in, or right to earn an interest in, any property) of the Corporation and any of the subsidiaries are not subject to any right of first refusal or purchase or acquisition right; and

(dddd) with respect to each premises of the Corporation or each Subsidiary which is material to the Corporation or each Subsidiary and which the Corporation and/or a Subsidiary occupies as tenant, the Corporation and/or a Subsidiary occupies such leased premises and has the exclusive right to occupy and use the leased premises and each of the leases pursuant to which the Corporation and/or a Subsidiary occupies the leased premises is in good standing and in full force and effect.

The Corporation acknowledges that the Agent and each of the Purchasers are relying upon such representations and warranties.

7. **Covenants of the Corporation**

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

(a) it shall not take any action that would prevent the Corporation and the Agent from relying on the exemptions from the prospectus requirements of Applicable Securities Laws as contemplated by the Subscription Agreements;

(b) the Corporation shall furnish to the Agent such information as the Agent reasonably requests in connection with the performance of its services hereunder. The Corporation understands, acknowledges and agrees that, in performing its services hereunder, the Agent will use and rely entirely upon such information, as well as any publicly available information regarding the Corporation and that the Agent does not assume responsibility for independent verification of the accuracy or completeness of any information, whether publicly available or otherwise furnished to it, concerning the Corporation, including, without limitation, any financial information, forecasts or projections considered by the Agent in connection with the provisions of its services. Accordingly, the Agent shall be entitled to assume and rely upon the accuracy and completeness of all such information and shall not be required to conduct a physical inspection of any of the properties or assets or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of the Corporation. If any information provided to the Agent by the Corporation becomes inaccurate, incomplete or misleading in any material respect during the engagement hereunder, the Corporation shall promptly advise the Agent;

(c) the Corporation shall, prior to the Closing Time, allow the Agent (and its counsel and consultants) to conduct all due diligence which the Agent may reasonably require or which may be considered necessary or appropriate by the Agent. The Corporation will provide to the Agent (and its counsel) reasonable access to the Corporation's properties, senior management personnel and corporate, financial and other records, for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry the Agent (or its counsel) may conduct, the Corporation shall also make available its directors, senior management, auditors and counsel to answer any questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to Closing (the "**Due Diligence Session**");

(d) the Corporation shall duly and punctually perform all the obligations to be performed by it under this Agreement, the Subscription Agreements, the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Underlying Warrant Certificates and the Debt Broker Warrant Certificate;

(e) the Corporation shall comply with each of the covenants of the Corporation set out in the Subscription Agreements;

(f) the Corporation shall use its commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions required to be fulfilled by it set out in Section 8;

(g) the Corporation shall use its commercially reasonable efforts to obtain all necessary consents to the transactions contemplated herein (including the necessary approval of the Exchange for, among other things, the Offerings and the listing of the Common Shares partially comprising each of the Equity Units and the Debt Units) on such terms as are customary;

(h) the Corporation will use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws of each of the provinces of Alberta, British Columbia and Ontario, for a period of 30 months following the Closing Date, provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Corporation ceasing to be a "reporting issuer" so long as the holders of Common Shares receive securities (or cash or any combination thereof as the case may be) of a successor entity pursuant to a transaction in compliance with applicable corporate laws and Applicable Securities Laws, or the Corporation's shareholders approve the transaction;

(i) the Corporation will use commercially reasonable efforts to maintain a listing of its Common Shares, and upon the issuance thereof pursuant to the due exercise of the Warrants, the Equity Broker Warrants, the Equity Broker Underlying Warrants and the Debt Broker Warrants, the Warrant Shares, Equity Broker Shares, Equity Broker Underlying Warrant Shares and Debt Broker Shares, respectively, on the Exchange or the Toronto Stock Exchange for a period of 30 months from the Closing Date, provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Common Shares (including the Warrant Shares, Equity Broker Shares, Equity Broker Underlying Warrant Shares and Debt Broker Shares, as applicable) ceasing to be listed so long as the holders of Common Shares (including the Warrant Shares, Equity Broker Shares, Equity Broker Underlying Warrant Shares and Debt Broker Shares, as applicable) receive securities (or cash or any combination thereof as the case may be) of a successor entity pursuant to a transaction in compliance with applicable corporate laws and Applicable Securities Laws, or the Corporation's shareholders approve the transaction;

(j) the Corporation will ensure that the Warrant Shares, the Equity Broker Shares, the Equity Broker Underlying Warrant Shares and the Debt Broker Shares will be conditionally approved for listing on the Exchange upon their issue subject only to the Standard Listing Conditions;

(k) in the event any person acting or purporting to act for the Corporation establishes a claim against the Agent for any brokerage or agency fee in connection with the transactions contemplated herein, the Corporation shall indemnify and hold harmless the Agent with respect thereto and with respect to all costs reasonably incurred in the defence thereof unless such claim is made by a Sub-Agent appointed by the Agent pursuant to Section 1;

(l) prior to the Closing Time, promptly inform the Agent of the full particulars of any material change (actual, anticipated or threatened) in the assets, liabilities (absolute, accrued, contingent or otherwise), business, operations, capital or condition (financial or otherwise) of the Corporation and its Subsidiaries, on a consolidated basis, provided that if there may be any reasonable doubt as to whether a material change of the nature referred to in this subsection has occurred, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature;

(m) other than with the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, the Corporation will not, offer or issue, or enter into an agreement to offer or issue, or announce any intention to offer or issue, any of its securities (other than (i) stock option issuances pursuant to the Corporation's Stock Option Plan; (ii) the exercise of stock options granted pursuant to the Corporation's Stock Option Plan; (iii) securities issuable upon the exercise of the currently outstanding stock options or convertible securities; (iv) deferred share units issued pursuant to the Corporation's Deferred Share Unit Plan; (v) securities issued in the United States; (vi) in connection with a bona fide acquisition by the Corporation of the shares or assets of other corporations or entities; (vii) pursuant to the Offerings; or (viii) pursuant to the exercise of stock options and warrants outstanding as of the date of this Agreement) for a period of 180 days following the Closing Date; and

(n) prior to the Closing Time, advise the Agent, promptly after receiving notice or obtaining knowledge thereof of any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation (including the Common Shares) that has been issued by any Canadian securities regulator or the institution, threatening or contemplation of any proceeding for any such purposes.

8. **Conditions to Closing**

The obligation of the Agent to complete the Closing (which, for greater, certainty, shall mean the Closing of each tranche of the Offerings if the Offerings are completed in more than one tranche) shall be subject to the satisfaction of the following conditions, which conditions may be waived in writing in whole or in part by the Agent:

(a) the Corporation being in compliance with all of the terms and provisions of this Agreement and the applicable Subscription Agreements, and neither of this Agreement nor any of the Subscription Agreements having been terminated;

(b) all of the conditions, undertakings and other matters to be satisfied, completed and otherwise met prior to the completion of the Acquisition in compliance with the Share Purchase Agreement have been satisfied, completed or otherwise met or waived by the Corporation and the Agent pursuant to an agreement in writing, other than the payment of the consideration to be paid for the Acquisition;

(c) the Corporation will have made and/or obtained the necessary filings, approvals, consents and acceptances of the appropriate regulatory authorities, including the Exchange, required to be made or obtained by the Corporation in connection with the sale and issuance of the Equity Units and/or the Debt Units to the respective Purchasers prior to the Closing Time as herein contemplated, it being understood that the Agent shall do all that is reasonably required to assist the Corporation to fulfil this condition, subject only to the Standard Listing Conditions and the Corporation filing with the applicable Securities Commissions, within 10 days from the respective date of the sale of the Equity Units and Debt Units, as applicable, a Form 45-106F1 prepared and executed in accordance with Applicable Securities Laws and accompanied by the prescribed fees and fee checklist form, if any;

(d) the Offerings being exempt from the requirement to file a prospectus or registration statement and the requirement to prepare and deliver an offering memorandum or similar document under any applicable statute relating to the Offerings or upon the issuance of such orders, consents or approvals as may be required to permit the Offerings without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or similar document;

(e) with respect to the Debt Offering, the Corporation will have executed and delivered to the Agent the applicable security documents pursuant to the terms of the Debenture Certificates (the "**Security Documents**");

(f) the Corporation's board of directors shall have authorized and approved the execution and delivery of this Agreement and, with respect to the Debt Offering, the Debenture Certificates and the Security Documents, and, with respect to the Equity Offering the Warrant Certificates, and the acceptance of the Subscription Agreements, the sale and issuance of the Common Shares and Warrants comprising the Equity Units, the Debentures and Common Shares comprising the Debt Units, and the Equity Broker Warrants and Debt Broker Warrants and, upon the proper exercise of the Warrants, the Equity Broker Warrants and the Debt Broker Warrants, the creation, allotment, issuance and delivery, as applicable, of the Warrant Shares, the Equity Broker Shares and the Equity Broker Underlying Warrants, and the Debt Broker Shares, respectively, as the case may be, and, upon the proper exercise of the Equity Broker Underlying Warrants, the allotment, issuance and delivery of the Equity Broker Underlying Warrant Shares, and all matters relating thereto;

(g) the Corporation shall have accepted one or more subscriptions for the Equity Units and the Debt Units, as applicable, from the Purchasers;

(h) the Agent shall have received favourable legal opinions, dated the Closing Date, of the Corporation's counsel, Farris, Vaughan, Wills & Murphy LLP and of local counsel in any jurisdiction where the Units are sold (it being understood that such counsel may rely to the extent appropriate in the circumstance: (i) as to matters of fact, on certificates of the Corporation executed on its behalf by a senior officer of the Corporation and on certificates of the Transfer Agent, as to the issued capital of the Corporation; and (ii) as to matters of fact not independently established, on certificates of the Corporation's Auditors or a public official) in forms satisfactory to the Agent and its legal counsel, with respect to certain customary matters related to the Corporation and the Offerings;

(i) the Agent shall have received certificates of good standing, status and/or compliance or equivalent thereof, where issuable under applicable law, in respect of the Corporation and each of the Canadian Subsidiaries, each dated within two (2) Business Day of the Closing Date;

(j) the Agent shall have received a favourable legal opinion of the Corporation's counsel or local counsel in the jurisdiction of incorporation of each Canadian Subsidiary, in form and substance satisfactory to the Agent, acting reasonably, dated the Closing Date and with respect to the following matters, inter alia: (i) the incorporation and existence of the Canadian Subsidiary under the laws of its jurisdiction of incorporation; (ii) as to the registered ownership of the issued and outstanding shares of the Canadian Subsidiary; and (iii) that the Canadian Subsidiary has all requisite corporate power under the laws of its governing jurisdiction to carry on its business as presently carried on and as proposed to be carried on and own or lease its properties and assets;

(k) the Agent shall have received an incumbency certificate dated the Closing Date including specimen signatures of the Chief Executive Officer, the Executive Vice President and any other officer of the Corporation signing this Agreement or any document delivered hereunder or in connection with the Offerings;

(l) the Agent shall have received a certificate, dated the Closing Date, of the Chief Executive Officer and the Executive Vice President of the Corporation (or such other officer or officers of the Corporation acceptable to the Agent, acting reasonably), addressed to the Purchasers, the Agent and their counsel to the effect that, to their knowledge, information and belief, after due enquiry and without personal liability:

   (i) the representations and warranties of the Corporation in this Agreement and the Subscription Agreements are true and correct in all respects as if made at and as of the Closing Time, except to the extent such representations and warranties speak to an earlier date, in which case such representations and warranties shall be true and correct as of such date, and the Corporation has performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied hereunder and thereunder, in all respects at or prior to the Closing Time;

   (ii) no order, ruling or determination having the effect of suspending the sale or ceasing, suspending or restricting the trading of the Units or, as applicable, the securities underlying the Units in any of the Offering Jurisdictions has been issued or made by any stock exchange, securities commission or regulatory authority and is continuing in effect and no proceedings, investigations or enquiries for that purpose have been instituted or, to the knowledge of the Corporation, are pending;

   (iii) the articles and bylaws (or equivalent thereof) of the Corporation delivered at Closing are full, true and correct copies, unamended, and in effect on the date thereof;

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

(v) since September 30, 2016, there has been no material adverse change in the business, affairs, operations, assets, liabilities or capital of the Corporation;

(m) the Corporation shall not have received any notice from the Exchange that the Common Shares, the Warrant Shares, the Equity Broker Shares, the Equity Broker Underlying Warrant Shares and/or the Debt Broker Shares shall not be accepted for listing on the Exchange;

(n) that final acceptance of the Offerings by the Exchange is subject only to the official notices of issuance and fulfilment of the Standard Listing Conditions;

(o) the Agent shall have conducted all due diligence inquiries and investigations, shall be satisfied, in its sole discretion, with the results of the due diligence inquiries and investigations completed in connection with the Offerings, and the Agent shall not have identified any material adverse changes or misrepresentations or any items materially adversely affecting the Corporation's affairs which exist as of the date hereof but which have not been widely disseminated to the public;

(p) the Agent shall have received confirmation from the Corporation that the Corporation is not on the defaulting issuer's list (or equivalent) maintained by the Securities Commissions in each jurisdiction in which the Corporation is a reporting issuer;

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

(r) the Corporation shall deliver such further certificates and other documentation as may be contemplated in this Agreement or in the applicable Subscription Agreements or as the Agent or its counsel may reasonably request.

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

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

9. **<u>Acknowledgement</u>**

The Corporation acknowledges that the Agent is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and financial advisory services and that in the ordinary course of its trading and brokerage activities, the Agent and its affiliates at any time may hold long and short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their clients, in debt or equity securities of the Corporation or any other person that may be involved in or related to the use of proceeds of the Offerings or related derivative securities.

The Corporation further acknowledges that the Agent is acting solely as agent in connection with the offer and sale of the Units. The Corporation further acknowledges that the Agent is acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agent acts or be responsible as a fiduciary to the Corporation, its management, shareholders or creditors or any other person in connection with any activity that the Agent may undertake or have undertaken in furtherance of such offer and sale of the Corporation's securities, either before or after the date hereof. The Agent hereby expressly disclaims any fiduciary or similar obligations to the Corporation, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Corporation hereby confirms its understanding and agreement to that effect. The Corporation and the Agent agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agent to the Corporation regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Corporation's securities, do not constitute advice or recommendations to the Corporation. The Corporation and the Agent agree that the Agent is acting as principal and not the agent or fiduciary of the Corporation and the Agent has not, and the Agent will not assume, any advisory responsibility in favour of the Corporation with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Agent has advised or is currently advising the Corporation on other matters).

10. **<u>Termination of Obligations</u>**

If at any time before the Closing Time:

(a) there shall have occurred any change in any material fact, material adverse change (actual, intended, anticipated or threatened) or the Agent shall have discovered any previously undisclosed material fact (determined by the Agent in its sole discretion) in relation to the Corporation, which, in the sole opinion of the Agent, acting reasonably, prevents or restricts trading in or the distribution of the Units or the applicable securities underlying the Units or materially adversely affects or would reasonably be expected to materially adversely affect the business, affairs, prospects or financial condition of the Corporation or the market price or value of the Units or the applicable securities underlying the Units;

(b) there shall have occurred any change in Applicable Securities Laws or any inquiry, investigation or other proceeding is made by a securities regulatory authority or any order is issued under or pursuant to any statute of Canada or any province thereof or any statute of the United States or any state thereof or any stock exchange in relation to the Corporation or any of its securities (except for any inquiry, investigation or other proceeding based upon activities of the Agent and not upon activities of the Corporation) which, in the reasonable opinion of the Agent, prevents or restricts trading in or the distribution of the Units or the applicable securities underlying the Units or materially adversely affects or would reasonably be expected to materially adversely affect the market price or value of the Units or the applicable securities underlying the Units;

(c) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence or catastrophe, accident, public protest, government law or regulation, war or act of terrorism of national or international consequence or any law or regulation which, in the sole opinion of the Agent, acting reasonably, adversely affects or involves, or may seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation or the market price or value or marketability of the Units or the applicable securities underlying the Units;

(d) the state of the financial markets, whether national or international, is such that in the sole opinion of the Agent, acting reasonably, it would be impractical or unprofitable to offer or continue to offer the Units for sale;

(e) a cease trading order with respect to any securities of the Corporation is made by any Securities Commission or other competent authority by reason of the fault of the Corporation or its directors, officers and agents and such cease trading order has not been rescinded within 48 hours;

(f) there is an enquiry or investigation (whether formal or informal) by any regulatory authority in relation to the Corporation or any one of its directors or officers which in the opinion of the Agent, acting reasonably, operates to prevent or restrict the trading of the Units or the applicable securities comprising the Units;

(g) the Corporation is in breach of, default under or non-compliance with any material term, condition or covenant of this Agreement or the Subscription Agreements or any representation or warranty given by the Corporation in this Agreement or the Subscription Agreements becomes or is false, untrue or misleading in any way;

(h) any condition of this Agreement shall remain outstanding and uncompleted at any time after the time which it is required to be completed;

(i) the Agent is not satisfied, acting reasonably, with the results of its diligence review with respect to the Corporation and its Subsidiaries, or their businesses, assets or operations;

(j) if the Corporation receives notice from the Exchange that the Common Shares partially comprising each of the Equity Units and the Debt Units, the Equity Broker Shares, the Warrant Shares, the Equity Broker Underlying Warrant Shares and/or the Debt Broker Shares shall not be accepted for listing on the Exchange;

(k) the Share Purchase Agreement is terminated by any of the parties thereto, or any of the parties to the Share Purchase Agreement do not or does not intend to proceed with the Acquisition, or the Acquisition will not be consummated pursuant to the Share Purchase Agreement; or

(l) both the Agent and the Corporation mutually agree to terminate this Agreement,

the obligations of the Agent contained in this Agreement may be terminated by the Agent in its sole discretion.

Any termination pursuant to the foregoing provisions shall be effected by notice in writing delivered by the Agent to the Corporation at its address as herein set out. Notwithstanding the giving of any notice of termination hereunder, the expenses agreed to be paid by the Corporation shall be paid by the Corporation as herein provided and the obligations of the Corporation under Sections 12 and 13 shall survive.

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

11. **Closing**

Closing will be completed at the offices of Farris, Vaughan, Wills & Murphy LLP, 2500 – 700 West Georgia Street, Vancouver, B.C. V7Y 1B3, or such other place or places as may be agreed upon by the Corporation and the Agent, at the Closing Time, provided that if the Corporation has not been able to comply with any of the conditions to Closing set forth under "Conditions to Closing" or such conditions have not been waived by the Agent prior to the Closing Time, the Closing Date may be extended by mutual agreement of the Corporation and the Agent, failing which, the respective obligations of the parties will terminate without further liability or obligation except as set out under Sections 12 and 13.

At the Closing Time, the Corporation shall deliver, or cause to be delivered, to the Agent:

(a) Common Share Certificates representing the Common Shares partially comprising the Equity Units, duly registered as the Agent may direct;

(b) Warrant Certificates representing the Warrants partially comprising the Equity Units, duly registered as the Agent may direct;

(c) Common Share Certificates representing the Common Shares partially comprising the Debt Units, duly registered as the Agent may direct;

(d) Debenture Certificates representing the Debentures partially comprising the Debt Units, duly registered as the Agent may direct;

(e) the duly executed Security Documents;

(f) Equity Broker Warrant Certificate, duly registered as the Agent may direct;

(g) Debt Broker Warrant Certificate, duly registered as the Agent may direct;

(h) the requisite legal opinions and certificates as contemplated in Section 8;

(i) a direction addressed to the Agent directing the Agent to pay the Equity Gross Proceeds and the Debt Gross Proceeds less the Agent's Equity Fee, the Agent's Debt Fee and the reasonable out-of-pocket expenses of the Agent including the fees and disbursements of counsel to the Agent, subject to the limitations set forth in Section 12;

(j) a receipt for the aggregate purchase price for the Units less the Agent's Equity Fee, the Agent's Debt Fee, and expenses; and

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

against delivery of all duly completed and executed Subscription Agreements and payment of the aggregate purchase price for the Units (less the Agent's fee and expenses) by certified cheque, bank draft or wire transfer to the Corporation as contemplated herein.

If the Corporation and the Agent determine to issue the Common Shares partially comprising each of the Equity Units and the Debt Units as a book-entry security in accordance with the rules and procedures of CDS Clearing and Depository Services Inc. ("**CDS**"), then, as an alternative to the Corporation delivering to the Agents definitive certificates representing the Common Shares in the manner and at the time set forth in subsections 10(a) and (c), the Agent may provide a direction to CDS with respect to the crediting of all or a portion of the Common Shares to the accounts of the participants of CDS as shall be designated by the Agent in writing in sufficient time prior to the Closing Date to permit such crediting and the Corporation shall cause Computershare Investor Services, Inc. as registrar and transfer agent of the Common Shares, to deliver to CDS, on behalf of the Agent, one fully registered global certificate for such portion of the Common Shares to be issued hereunder registered in the name of "CDS & Co." as the nominee of CDS, to be held by CDS as a book-entry security in accordance with the rules and procedures of CDS.

12. Expenses

Whether or not the Closing occurs, the Corporation shall pay all costs and expenses of or incidental to the Offerings, including, without limitation, the costs and filing fees with respect to the Offerings, the listing of the Common Shares partially comprising each of the Equity Units and the Debt Units, the Warrant Shares, the Equity Broker Shares, the Equity Broker Underlying Warrant Shares and the Debt Broker Shares on the Exchange, the cost of printing the Common Share Certificates, the Debenture Certificates, the Warrant Certificates, the Equity Broker Warrant Certificate, the Equity Broker Share Certificates, the Equity Broker Underlying Warrant Certificates, the Equity Broker Underlying Warrant Share Certificates, the Debt Broker Warrant Certificate and the Debt Broker Share Certificates, and the fees and expenses of the Corporation's Auditors, counsel and local counsel. In addition to professional fees, the fees of the Agent's counsel and the Agent's out-of-pocket expenses, including photocopy, facsimile, printing, scanning and binding expenses, telephone and search charges, mail and delivery expenses and other incidental expenses, plus applicable taxes and disbursements, shall be paid at Closing by the Corporation to the Agent upon written direction from the Agent as to such costs and expenses. Any travel, lodging and meal expenses, governmental filing and legal service fees, are to be approved by the Corporation in advance. The Agent will provide the Corporation with detailed statements of these costs and expenses. If significant disbursements are to be incurred, as for example retaining the services of a third party and other agents, the Agent will make additional arrangements with the Corporation. Taxes on professional fees as well as on costs and expenses may be applicable and will be added to the invoices.

13. Indemnity

The Corporation shall indemnify and save harmless the Agent, its affiliates and their respective directors, officers, employees, partners, agents and advisors (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses (except loss of profit), claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, expenses, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Corporation by an Indemnified Party hereunder or otherwise in connection with the matters referred to in this Agreement (including, for certainty, any Claim relating to the Offerings), whether performed before or after the Corporation's execution of this Agreement and to immediately reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim.

The Corporation also agrees that no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Corporation or any person asserting claims on the Corporation's behalf or in right for or in connection with the performance of professional services rendered to the Corporation by an Indemnified Party hereunder or otherwise in connection with the matters referred to in this Agreement, whether performed before or after the Corporation's execution of the Agreement, except to the extent that any losses, expenses, Claims, actions, damages or liabilities incurred by the Corporation are determined by a court of competent jurisdiction in a final judgement that has become non-appealable to have resulted from the Indemnified Party's breach of this Agreement, or the gross negligence, wilful misconduct, fraud or dishonesty of such Indemnified Party.

In the event and to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable determines that an Indemnified Party breached this Agreement, or was grossly negligent or guilty of wilful misconduct, fraud or dishonesty in connection with a Claim in respect of which the Corporation has advanced funds to the Indemnified Party pursuant to this indemnity, such Indemnified Party shall immediately reimburse such funds to the Corporation and thereafter this indemnity shall not apply to such Indemnified Party in respect of such Claim.

The Corporation agrees to waive any right the Corporation might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.

In case any action, suit, proceeding or Claim is brought against an Indemnified Party, or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Corporation, the Indemnified Party will give the Corporation prompt written notice of any such action, suit, proceeding, Claim or investigation of which the Indemnified Party has knowledge and the Corporation may, at its election, undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the Corporation of its obligation of indemnification hereunder unless (and only to the extent that) such failure results in the forfeiture by the Corporation of substantive rights or defences, or materially increases the liability of the Corporation under this indemnity.

No admission of liability and no settlement, compromise or termination of any action, suit, proceeding, Claim or investigation shall be made without the Corporation's consent and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld.

Notwithstanding that the Corporation may undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to any Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

(a) the employment of such counsel has been authorized in writing by the Corporation;

(b) the Corporation has not assumed the defence within a reasonable period of time after receiving notice of such Claim;

(c) the named parties to any such Claim include both the Corporation and the Indemnified Party, and the Indemnified Party shall have been advised by counsel there may be a conflict of interest between the Corporation and the Indemnified Party; or

(d) there are one or more defences available to the Indemnified Party which are different from or in addition to those available to the Corporation, which makes representation by the same counsel inappropriate,

provided that the Corporation shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties.

The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights an Indemnified Party may have at common law or otherwise.

If for any reason the foregoing indemnification is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties (or any of them) or insufficient to hold them harmless, then the Corporation shall contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Indemnified Parties on the other hand, but also the relative fault of the Corporation and the Indemnified Parties, as well as any other equitable considerations which may be relevant. Notwithstanding the forgoing, the Corporation will, in any event, contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim, any excess of such amount over the amount of the fees actually received by the Indemnified Parties hereunder, in which case such fees and expenses shall be for the Corporation's account.

The Corporation hereby acknowledges the Agent as trustee for each of the other Indemnified Parties of the Corporation's covenants under this indemnity with respect to such persons and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

The Corporation agrees to reimburse the Agent monthly for the time spent by the Agent's personnel in connection with any Claim at their reasonable per diem rates. The Corporation also agrees that if any action, suit, proceeding or Claim shall be brought against, or an investigation has been commenced in respect of the Corporation or the Corporation and the Agent and the personnel of the Agent shall be required to testify, participate or respond in respect of or in connection with the performance of professional services rendered to the Corporation by an Indemnified Party hereunder or otherwise in connection with the matters referred to in this Agreement, the Agent shall have the right to employ its own counsel in connection therewith and the Corporation will reimburse the Agent monthly for the time spent by its personnel in connection therewith at their reasonable per diem rates together with such reasonable fees and disbursements and reasonable out-of-pocket expenses as may be incurred, including reasonable fees and disbursements of the Agent's counsel.

14. <u>Notice</u>

Any notice or other communication to be given by delivery or by facsimile or email hereunder (a "**Notice**") shall be in writing addressed as follows:

If to the Corporation, addressed and sent to:

LED Medical Diagnostics Inc.
Suite 810 - 580 Hornby Street
Vancouver, BC V6C 3B6

Attention: David Gane
Fax: 604.434.4612
Email: david.gane@leddental.com

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

Farris, Vaughan, Wills & Murphy LLP
PO Box 10026, Pacific Centre South
25th Floor, 700 W Georgia Street
Vancouver, BC
Canada V7Y 1B3

Attention: David J. Selley
Fax: 604.661.9349
Email: dselley@farris.com

If to the Agent, addressed and sent to:

Bloom Burton Securities Inc.
65 Front Street East, Suite 300
Toronto, Ontario M5E 1B5

Attention: Michael Pollard
Email: ecm@bloomburton.com

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

Blake, Cassels & Graydon LLP
595 Burrard Street
P.O. Box 49314
Suite 2600, Three Bentall Centre
Vancouver BC V7X 1L3

Attention: Joseph Garcia
Fax: 604.631.3309
Email: joseph.garcia@blakes.com

or to such other address as any of the persons may designate by Notice given to the others.

Each Notice shall be personally delivered to the addressee or sent by fax or email to the addressed and: (i) a Notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it was delivered; and (ii) a Notice which is sent by fax or email shall be deemed to be given and received on the first Business Day following the day on which it was sent, provided that the sender has evidence of a successful transmission, such a fax confirmation or email receipt confirmation.

15. **Public Announcements**

Any press release connected with the Offerings issued by the Corporation shall be issued only after consultation with the Agent and in compliance with Applicable Securities Laws. If the Agent so requests, the Corporation shall include a reference to the Agent and its role in the Offerings in any press release or other public communication issued by the Corporation related to the Offerings. The Corporation shall provide the Agent with a reasonable opportunity to review a draft of any proposed announcement and an opportunity to provide comments thereon. The Corporation and the Agent will in good faith agree to the form and content of any such announcement prior to the release thereof. Provided the Offerings are completed and the Agent is not in breach of any material provision of this Agreement, the Agent shall be permitted to publish, at its own expense, such advertisements or announcements relating to the services provided in respect of the Offerings in such newspapers or other publications as the Agent considers appropriate.

16. **Right of First Refusal**

From the date hereof and for a period of 12 months following the Closing Date, and provided that the Equity Gross Proceeds and the Debt Gross Proceeds of the Offerings are, in the aggregate, greater than or equal to $10,000,000, the Corporation hereby agrees to offer to the Agent the opportunity to act as its: (i) sole lead manager, underwriter and/or private placement agent and sole bookrunner for any follow-on offerings of Common Shares, securities exchangeable or convertible into Common Shares, or debt instruments of the Corporation, other than any non-brokered offerings made by the Corporation exclusively to insiders, employees, and Purchasers listed in Schedule “A” hereto provided such offering does not include arm-length investors; and (ii) exclusive financial advisor for any transaction with a third party involving a change in control of the Corporation or the third party, as applicable, or the acquisition of assets outside of the ordinary course of business. It is understood that the terms and conditions and related fees payable in connection with those services will be negotiated in good faith and be consistent with the then prevailing market practice. If the Agent does not accept the terms and conditions contained in the Corporation's offer, the Corporation may engage any other financial institution as manager, underwriter, private placement agent and/or financial advisor (as the case may be, depending on the nature of the transaction) in connection with such transaction, provided that the terms and conditions of any such engagement shall be no more favourable to such other financial institution than the terms and conditions offered by the Corporation to the Agent.

17. **Time of the Essence**

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

18. **Further Assurances**

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

19. **Assignment**

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

20. **Counterpart Provision**

This Agreement may be executed in any number of counterparts, each of which when delivered shall be deemed to be an original and all of which together shall constitute one and the same document.

21. **Entire Agreement**

This Agreement constitutes the entire agreement between the parties relating to the Offerings and supersedes all previous communications, representations, understandings and agreements between the parties with respect to the subject matter hereof whether verbal or written.

22. **Governing Law**

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

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

All warranties, representations, covenants, indemnities and agreements of the Corporation herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the purchase by the Purchasers of the Equity Units and/or Debt Units, as applicable, and shall continue in full force and effect for the benefit of the Agent.

24. **Facsimile/PDF**

The Corporation and the Agent shall be entitled to rely on delivery by facsimile or portable document format of an executed copy of this Agreement and acceptance by the Corporation and the Agent of that delivery shall be legally effective to create a valid and binding agreement between the Corporation and the Agent in accordance with the terms of this Agreement.

25. **Acceptance**

If this letter accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by the Corporation, please communicate acceptance by executing where indicated below and returning a signed copy of this Agreement to the Agent.

[*Remainder of this page has been intentionally left blank*]

Yours very truly,

BLOOM BURTON SECURITIES INC.

Per: *"Jolyon Burton"*
Authorized Signing Officer

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

LED MEDICAL DIAGNOSTICS INC.

Per: *"David Gane"*
Authorized Signing Officer

SCHEDULE "A"
PRESIDENT'S LIST

[Names on President's List Redacted.]

SCHEDULE “B”
INTELLECTUAL PROPERTY

Patent Title/Trademark Name	Patent/ Registration No.	Country	Status
Systems and Methods for Detection of Disease including Oral Scopes and Ambient Light Management System (ALMS)	2011242140	Australia	Registered Patent
Systems and Methods for Detection of Disease including Oral Scopes and Ambient Light Management System (ALMS)	5681162	Japan	Patented
Endoscopes and Methods Relating to Direct Viewing of a Target Tissue	6110106	United States	Patented
Fluorescence Scope System for Dermatologic Diagnosis	6021344	United States	Patented
VELOSCOPE	3169666	United States	Registered Trademark
VELOSCOPE	1483394	India	Registered Trademark
VELOSCOPE	TMA732303	Canada	Registered Trademark
VELOSCOPE	6003339	CTM (Europe)	Registered Trademark
VELOSCOPE	5171672	Japan	Registered Trademark
VELOSCOPE	6108971	China	Registered Trademark
VELOSCOPE	746420	South Korea	Registered Trademark
VELOSCOPE VX	4013550	United States	Registered Trademark

SCHEDULE "C"
PERMITTED ENCUMBRANCES

1. Registration under the *Personal Property Security Act* (British Columbia) against the Corporation in favour of Bloom Burton Healthcare Lending Trust, As Agent with respect to British Columbia Personal Property Registry base registration number 735865I over the collateral described as follows: "ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY."

2. Registration under the *Personal Property Security Act* (British Columbia) against the Corporation in favour of Bloom Burton Healthcare Lending Trust with respect to British Columbia Personal Property Registry base registration number 860859I over the collateral described as follows: "ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY."

3. Registration under the *Personal Property Security Act* (British Columbia) against the Corporation in favour of Bloom Burton Healthcare Lending Trust II with respect to British Columbia Personal Property Registry base registration number 730570J over the collateral described as follows: "ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY."

4. Registration under the *Personal Property Security Act* (British Columbia) against LED Dental Inc. in favour of Royal Bank of Canada with respect to British Columbia Personal Property Registry base registration number 112940I over the collateral described as follows:

"MONEYS OR AMOUNTS THAT MAY FROM TIME TO TIME BE ON DEPOSIT IN THE NAME OF DEBTOR WITH OR OWED TO DEBTOR BY SECURED PARTY, ROYAL BANK MORTGAGE CORPORATION, THE ROYAL TRUST COMPANY OR ROYAL TRUST CORPORATION OF CANADA OR ANY TWO OR MORE OF THEM, AND IN THE DEBTOR'S RIGHTS IN THOSE MONEYS OR THOSE AMOUNTS.

PROCEEDS: ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, GOODS (INCLUDING INVENTORY AND EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANT, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND) BUT EXCLUDING CONSUMER GOODS), MONEY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS AND SECURITIES."

5. Registration under the *Personal Property Security Act* (British Columbia) against LED Dental Inc. in favour of Bloom Burton Healthcare Lending Trust II with respect to British Columbia Personal Property Registry base registration number 730568J over the collateral described as follows: "ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY."