AGENCY AGREEMENT

August 9, 2019

Spectra7 Microsystems Inc.
181 Bay Street, Suite 1800
Toronto, Ontario M5J 2T9

Attention: Raouf Halim, Chief Executive Officer

Dear Mesdames/Sirs:

Haywood Securities Inc., as lead agent (the "**Lead Agent**"), together with Canaccord Genuity Corp. and Eight Capital (collectively, the "**Agents**", and each individually, an "**Agent**") understand that Spectra7 Microsystems Inc. (the "**Company**") proposes to issue and sell 65,255,480 units of the Company (the "**Offered Units**") at a price of $0.05 per Offered Unit (the "**Offering Price**"), for aggregate gross proceeds of $3,262,774. Each Offered Unit shall consist of one Common Share (as defined herein) (a "**Unit Share**", and collectively, the "**Unit Shares**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**", and collectively, the "**Warrants**"). Each Warrant shall be exercisable into one Common Share (a "**Warrant Share**", and collectively, the "**Warrant Shares**") for a period of sixty (60) months following the Closing Date (as defined below) at an exercise price of $0.08 per share. At any time after four months and one day following the Closing Date, if the volume-weighted average price of the Common Shares is greater than $0.16 for 10 consecutive trading days, the Company may issue to the Warrant holders a written notice (the "**Acceleration Notice**") advising of the accelerated expiry of the Warrants (the "**Acceleration Right**").

The Company also hereby grants to the Agents an option (the "**Over-Allotment Option**"), which may be exercised by the Agents in whole or in part in the Agents' sole discretion and without obligation, to offer and sell as agents an additional number of Offered Units (the "**Over-Allotment Units**") equal to up to 15% of the number of Offered Units sold pursuant to the Offering (as defined herein) at the Offering Price, for the purposes of covering the Agents' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option shall be exercisable by the Lead Agent, on behalf of the Agents, in whole or in part and from time to time, at or before 5:00 p.m. (Toronto time) on the 30th day after Closing Date, all as more particularly described in Section 12 hereof.

The Offered Units and the Over-Allotment Units are collectively referred to herein as the "**Offered Units**" and the offering of the Offered Units by the Company is hereinafter referred to as the "**Offering**".

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

Commission Shares (as defined herein) and the Corporate Finance Fee Shares (as defined herein) and will obtain the Final Receipt (as defined herein) for the Final Prospectus prior to 5:00 p.m. (Toronto time) on the date hereof (or such later date or time as reasonably agreed to by the Company and the Lead Agent).

Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act, and upon acceptance hereof the Company hereby appoints the Agents, as the Company's exclusive agents to offer for sale, in the respective percentages set forth in Section 19, on a "best efforts" agency basis, the Offered Units and to arrange for Purchasers (as defined herein) resident in the Selling Jurisdictions (as defined herein) where the Offered Units may be lawfully offered and sold, provided that any Offered Units offered or sold in any jurisdictions outside of Canada are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of any such jurisdictions, including continuous disclosure obligations. It is understood and agreed that the Agents are under no obligation to purchase any of the Offered Units.

The Agents acknowledge that the Company is conducting a concurrent non-brokered private placement of 93,176,081 units of the Company on the same terms as the Offered Units (the "**Concurrent Private Placement**"), which is expected to close concurrently with the closing of the Offering.

In consideration of the services to be rendered by the Agents in connection with the Offering, the Company agrees to: (a) pay to the Agents the Cash Commission (as defined herein) and to issue and deliver to the Agents the Compensation Options and the Commission Shares; and (b) pay to the Lead Agent the Corporate Finance Fee and to issue and deliver to the Lead Agent the Corporate Finance Fee Shares, in each case in such amounts and with such terms as set out in Section 15 hereof. The obligation of the Company to pay the Cash Commission and the Corporate Finance Fee and to issue and deliver the Compensation Options, the Corporate Finance Fee Shares and the Commission Shares shall arise at the Closing Time and the Cash Commission, the Compensation Options, the Corporate Finance Fee and the Corporate Finance Fee Shares shall be fully earned by the Agents and the Lead Agent, as the case may be, upon the completion of the Offering.

TERMS AND CONDITIONS

The following are additional terms and conditions of this Agreement between the Company and the Agents:

Section 1 Definitions and Interpretation

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

"Acceleration Notice" has the meaning ascribed thereto in the first paragraph of this agreement.

"Acceleration Right" has the meaning ascribed thereto in the first paragraph of this agreement.

"Act" means the *Business Corporations Act* (British Columbia).

"affiliate" and **"associate"** have the respective meanings given to them in the Securities Act.

"Agents" has the meaning ascribed thereto in the first paragraph of this Agreement.

"Agreement" means this agency agreement, as it may be amended from time to time.

"Annual Financial Statements" means the audited consolidated annual financial statements of the Company for the years ended December 31, 2018 and 2017, together with the notes thereto and the Auditors' report thereon.

"Anti-Money Laundering Laws" has the meaning ascribed to such term in Section 7(ooo) of this Agreement.

"Applicable Laws" means all applicable laws, rules, regulations, policies, statutes, ordinances, codes, orders, consents, decrees, judgments, decisions, rulings, awards, or guidelines, the terms and conditions of any Authorizations, including any judicial or administrative interpretation thereof, of any Governmental Entity.

"Auditors" means MNP LLP.

"Authorizations" means the Licences and any regulatory licences, approvals, permits, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Entity, including under Applicable Laws, including Environmental Laws.

"Best of the Company's Knowledge" means to the best of the knowledge of the senior officers of the Company being the Chief Executive Officer, Chief Financial Officer and Chief Technical Officer after due inquiry.

"Business Day" means a day, other than a Saturday, a Sunday or any other day on which the principal chartered banks located in Toronto, Ontario are not open for business.

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

"Cash Commission" has the meaning ascribed thereto in Section 15 of this Agreement.

"CDS" means CDS Clearing and Depository Services Inc.

"Claims" has the meaning ascribed thereto in Section 13 of this Agreement.

"Closing" means the completion of the issuance and sale of the Offered Units pursuant to the Offering as contemplated by this Agreement.

"Closing Date" means the day on which the Closing shall occur, being August 20, 2019 or such earlier or later date as may be agreed to in writing by the Company and the Lead Agent (on behalf of the Agents), each acting reasonably.

"Closing Time" means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as may be agreed to by the Company and the Lead Agent (on behalf of the Agents), each acting reasonably.

"Commission" has the meaning ascribed thereto in Section 15 of this Agreement.

"Commission Shares" has the meaning ascribed thereto in Section 15 of this Agreement.

"Common Shares" means the common shares in the capital of the Company.

"Company" has the meaning ascribed thereto in the first paragraph of this Agreement.

“Compensation Option Certificates” means the certificates representing the Compensation Options and containing the terms thereof.

“Compensation Options” has the meaning ascribed to such term in Section 15 of this Agreement.

“Compensation Securities” means, collectively, the Compensation Options, the Commission Shares, the Corporate Finance Fee Shares and the Compensation Shares.

“Compensation Share” has the meaning ascribed to such term in Section 15 of this Agreement.

“Concurrent Private Placement” has the meaning ascribed thereto in the seventh paragraph of this Agreement.

“Corporate Finance Fee” has the meaning ascribed thereto in Section 15 of this Agreement.

“Corporate Finance Fee Shares” has the meaning ascribed to such term in Section 15 of this Agreement.

“Debt Instrument” means any and all agreements, notes, loans, bonds, notes, debentures, indentures, promissory notes, mortgages, guarantees, security agreements or other instruments evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Company or its Subsidiaries are a party or to which their property or assets are otherwise bound and which is material to the Company on a consolidated basis.

“Directed Selling Efforts” means “directed selling efforts” as that term is defined in Rule 902(c) of Regulation S.

“distribution” means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws.

“Documents Incorporated by Reference” means all financial statements, related management’s discussion and analysis, management information circulars, annual information forms, material change reports or other documents filed by the Company, whether before or after the date of this Agreement, that are required to be incorporated by reference into the Prospectus under applicable Canadian Securities Laws.

“Eligible Issuer” means an issuer which is qualified to file a short-form prospectus under NI 44-101.

“Environmental Laws” has the meaning ascribed to such term in Section 7(xx).

“Excluded Minutes” means: (a) minutes of the meetings of the board of directors of the Company held on March 10, 2018, March 30, 2018, April 11, 2018, August 11, 2018, September 5, 2018, February 12, 2019, March 15, 2019, May 10, 2019, June 15, 2019, July 20, 2019 and August 6, 2019; (b) minutes of the compensation committee of the Company held on November 11, 2018; (c) minutes of the meetings of the audit committee of the Company held on March 15, 2019 and May 10, 2019; and (d) minutes of the meeting of the shareholders of the Company held on June 20, 2019.

“Final Prospectus” means the (final) short form prospectus of the Company relating to the Offering, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and to be filed by the Company with the Securities Commissions in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Final Receipt has been issued.

“Final Receipt” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in each of the Qualifying Jurisdictions.

“Financial Statements” means, collectively, (i) the Annual Financial Statements, and (ii) the Interim Financial Statements.

“Government Official” means (i) any official, officer, employee or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Entity, (ii) any salaried political party official, elected member of political office or candidate for political office, or (iii) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses.

“Governmental Authorities” means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, crown corporations, court, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“including” means including but not limited to.

“Indemnified Party” or **“Indemnified Parties”** have the meanings ascribed thereto in Section 13 of this Agreement.

“Indemnitor” has the meaning ascribed thereto in Section 13 of this Agreement.

“Intellectual Property” means, collectively, all intellectual property rights of the Company which pertain to the business of the Company as it is currently conducted of whatsoever nature, kind or description including all: (i) patent rights; (ii) trade-marks, trade-mark registrations, trade-mark applications, rights under registered user agreements, trade names and other trade-mark rights; (iii) copyrights and applications therefor, including all computer software and rights related thereto; (iv) trade secrets and proprietary and confidential information; (v) industrial designs and registrations thereof and applications therefor; (vi) renewals, modifications, developments and extensions of any of the items listed in clauses (i) through (v) above; and (vii) patterns, plans, designs, research data, other proprietary know-how, processes, drawings, technology, inventions, formulae, specifications, performance data, quality control information, unpatented blue prints, flow sheets, equipment and parts lists, instructions, manuals, records and procedures, and all licences, agreements and other contracts and commitments relating to any of the foregoing.

“Interim Financial Statements” means the unaudited condensed interim consolidated financial statements of the Company as at and for the three months ended March 31, 2019 and 2018, together with the notes thereto.

“Lead Agent” has the meaning ascribed thereto in the first paragraph of this Agreement.

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

“Losses” has the meaning ascribed thereto in Section 13 of this Agreement.

“Marketing Materials” means the investor presentation of the Company dated June 17, 2019, filed and delivered by the Company in accordance with NI 41-101 in the Qualifying Jurisdictions.

“marketing materials” has the meaning ascribed thereto in NI 41-101.

“Material Adverse Effect” means (a) any change, event, occurrence, circumstance or effect that is materially adverse to the business, assets (including intangible assets), capitalization, financial condition or results of operations of the Company and its Subsidiaries taken as a whole, except to the extent of that any such change, event, violation, inaccuracy, circumstance or effect is a result from or arose in connection with: (i) any change in regulatory accounting requirements applicable to public companies in Canada; (ii) any change in (A) global, national or regional political conditions (including the outbreak of war or acts of terrorism); (B) general economic, business, regulatory or market conditions; or (C) national or global financial or capital markets; or (iii) any natural disaster, or (b) any change, event, occurrence, circumstance or effect that would result in any Offering Document containing a misrepresentation.

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

“Material Subsidiaries” means Spectra7 Microsystems Corp., Spectra7 Microsystems Ltd., and Spectra7 Microsystems (Ireland) Limited.

“material change”, “material fact” and **“misrepresentation”** have the respective meanings ascribed thereto in the Securities Act.

“MI 11-102” means Multilateral Instrument 11-102 – *Passport System*.

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements*.

“NI 44-101” means National Instrument 44-101 – *Short Form Prospectus Distributions*.

“NI 45-102” means National Instrument 45-102 – *Resale of Securities*.

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*.

“NP 11-202” means National Policy 11-202 – Process for Prospectus Reviews in Multiple Jurisdictions.

“Offered Units” has the meaning ascribed thereto in the first paragraph of this Agreement.

“Offering” has the meaning ascribed thereto in the fourth paragraph of this Agreement.

“Offering Documents” means the Preliminary Prospectus, the Final Prospectus and any Supplementary Material.

“Offering Price” has the meaning ascribed thereto in the first paragraph of this Agreement.

“OSC” means the Ontario Securities Commission, as the principal securities regulator.

“Over-Allotment Option” has the meaning ascribed thereto in the third paragraph of this Agreement.

“Over-Allotment Units” has the meaning ascribed thereto in the third paragraph of this Agreement.

“Passport System” means the system for review of prospectus filings set out in MI 11-102 and NP 11-202.

“Person” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), Company, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning.

“Preliminary Prospectus” means the preliminary short form prospectus of the Company dated June 17, 2019, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and filed by the Company in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Preliminary Receipt has been issued.

“Preliminary Receipt” means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Preliminary Prospectus in each of the Qualifying Jurisdictions.

“Principal Regulator” means the Ontario Securities Commission.

“Proprietary Rights” has the meaning ascribed to such term in Section 7(zz) of this Agreement.

“Prospectus” means, collectively, the Preliminary Prospectus and the Final Prospectus.

“provide” in the context of sending or making available marketing materials to a potential investor of Offered Units has the meaning ascribed thereto under Canadian Securities Laws, whether in the context of a “road show” (as defined in NI 41-101) or otherwise.

“Public Disclosure Record” means, collectively, all of the documents which have been filed on www.sedar.com by or on behalf of the Company with the Securities Commissions pursuant to the requirements of Canadian Securities Laws since January 1, 2018.

“Purchasers” means, collectively, each of the purchasers of Offered Units arranged by the Agents in connection with the Offering.

“Qualifying Jurisdictions” means all of the provinces of Canada, except for Québec.

“Regulation S” means Regulation S under the U.S. Securities Act.

“Reporting Provinces” means collectively, the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

“Securities Act” means the *Securities Act* (Ontario).

“Securities Commissions” means the securities regulatory authority in each of the Qualifying Jurisdictions.

“Securities Laws” means, collectively, Canadian Securities Laws and all applicable securities laws, rules, regulations, policies and other instruments promulgated by the Securities Regulators in any of the other Selling Jurisdictions, including the TSX.

“Securities Regulators” means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions.

“SEDAR” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“Selling Firm” and **“Selling Group”** have the meanings ascribed thereto in Section 1(c) of this Agreement.

“Selling Jurisdictions” means, collectively, each of the Qualifying Jurisdictions and any other jurisdictions outside of Canada as mutually agreed to by the Company and the Agents.

“Standard Listing Conditions” means the customary post-closing listing conditions imposed by the TSX.

“Subsidiaries” means Spectra7 Microsystems Corp., Spectra7 Microsystems (Ireland) Limited, Spectra Microsystems Ltd. and Si Bai Ke Te (Dongguan) Electronics Trading Co. Ltd., and **“Subsidiary”** means any one of them.

“subsidiary” or **“subsidiaries”** has the meaning ascribed thereto in the Securities Act.

“Supplementary Material” means, collectively, any amendment to the Preliminary Prospectus or the Final Prospectus, and any amendment or supplemental prospectus or ancillary materials that may be filed or prepared by or on behalf of the Company under Canadian Securities Laws relating to the offer and sale of the Offered Units.

“Transaction Documents” means, collectively, this Agreement and the Compensation Option Certificates.

“Transfer Agent” means Computershare Trust Company of Canada, in its capacity as transfer agent and registrar in respect of the Common Shares at its principal office in Toronto, Ontario.

“TSX” means the Toronto Stock Exchange.

“U.S. Person” means a “U.S. person” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act.

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

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

“Unit Shares” has the meaning ascribed thereto in the first paragraph of this Agreement.

“United States” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“Warrant Certificates” means the certificates representing the Warrants to be issued by the Company at the Closing Time.

“Warrant Shares” has the meaning ascribed thereto in the first paragraph of this Agreement.

“Warrants” has the meaning ascribed thereto in the first paragraph of this Agreement.

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

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

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

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

Schedule “A” – Subsidiaries
Schedule “B” – Existing Rights
Schedule “C” – Form of Lock-Up Agreement

Section 2 Attributes of the Securities

The Offered Units to be sold by the Company hereunder, along with the Over-Allotment Option and the Compensation Securities, shall have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions set forth in the Offering Documents.

Section 3 The Offering

(a) The sale of the Offered Units to the Purchasers shall be effected in a manner that is in compliance with applicable Canadian Securities Laws and upon the terms and conditions set out in the Prospectus and in this Agreement.

(b) Each Purchaser resident in a Qualifying Jurisdiction shall purchase the Offered Units pursuant to the Final Prospectus. Each other Purchaser shall purchase the Offered Units in accordance with such procedures as the Company and the Agents may mutually agree, acting reasonably, in order to fully comply with applicable Canadian Securities Laws and the Company hereby agrees to comply with all Canadian Securities Laws, including as to the filing of any notices or forms, on a timely basis in connection with the distribution of the Offered Units so that the distribution of the Offered Units in the Selling Jurisdictions outside of Canada may lawfully occur so as not to require registration or filing of a prospectus with respect thereto or compliance by the Company with regulatory requirements (including any continuous disclosure obligations), or subject the Company (or any of its directors, officers or employees) to any inquiry, investigation or proceeding of any securities regulatory authority, stock exchange or other authority, under applicable Securities Laws in such Selling Jurisdictions outside of Canada.

(c) The Company agrees that the Agents shall have the right to invite one or more dealers to form a selling group (each a “Selling Firm” and together, the “Selling Group”) to participate in the soliciting of offers to purchase the Offered Units. The Agents shall have the exclusive right to control all compensation arrangements between the members of the Selling Group and the Agents. The Company grants all of the rights and benefits of this Agreement to any Selling Firm so appointed by the Agents and appoints the Agents as trustees of such rights and benefits for such Selling Firm, and the Agents hereby accept such trust and agree to hold such rights and benefits for and on behalf of such Selling Firm. Any Agent who appoints a Selling Firm pursuant to the provisions of this Section 3(c) shall use its commercially reasonable efforts to ensure such Selling Firm agrees with the Agents to comply with the covenants and obligations given by the Agents herein.

Section 4 Filing of Prospectus, Deliveries and Related Matters

(1) In connection with the Preliminary Prospectus (and prior to or concurrently with the filing thereof, as applicable), the Company:

(a) prepared and filed the Preliminary Prospectus pursuant to the Passport System and NI 44-101, and took all other steps and proceedings that may be necessary in connection therewith and received the Preliminary Receipts;

(b) delivered or caused to be delivered to the Agents a copy of the Preliminary Prospectus, manually signed and certified on behalf of the Company, by the persons and in the form as required by Canadian Securities Laws; and

(c) delivered or caused to be delivered to the Agents a copy of any other document required to be filed with or delivered to the Securities Commissions in connection with the Offering, including any Supplementary Material or Document Incorporated by Reference in the Preliminary Prospectus (other than any document already filed publicly with the applicable Securities Commissions).

(2) In connection with the Final Prospectus (and prior to or concurrently with the filing thereof, as applicable), the Company:

(a) has satisfied all comments of the Securities Commissions with respect to the Preliminary Prospectus and has prepared and will file, concurrently with the execution of this Agreement, the Final Prospectus pursuant to the Passport System and NI 44-101;

(b) will deliver or cause to be delivered to the Agents a copy of the Final Prospectus manually signed and certified on behalf of the Company, by the persons and in the form as required by Canadian Securities Laws;

(c) will deliver or cause to be delivered to the Agents a copy of any other document required to be filed with or delivered to the Securities Commissions in connection with the Offering, including any Supplementary Material or Document Incorporated by Reference in the Final Prospectus (other than any document already filed publicly with the applicable Securities Commissions);

(d) will cause the Auditor to deliver a "long-form" comfort letter, dated the date of the Final Prospectus, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents and the directors of the Company, with respect to the verification of financial and accounting information and other numerical data of a financial nature contained in the Final Prospectus (including all Documents Incorporated by Reference), and matters involving changes or developments since the respective dates as of which specified financial information is given therein, which letter shall be based on a review by the auditors within a cut-off date of not more than two Business Days prior to the date of the letters and which letters shall be in addition to the Auditors' consent letters and comfort letter (if any) to be addressed and delivered to the Securities Commissions;

(e) will obtain the Final Receipt for the Final Prospectus prior to 5:00 p.m. (Toronto time) on the date hereof (or such later date or time as reasonably agreed to by the Company and the Lead Agent) and will take all other steps and proceedings that may be necessary in order to qualify the Offered Units, the Over-Allotment Option and the Compensation Securities for distribution pursuant to the Final Prospectus in each of the Qualifying Jurisdictions;

(f) will deliver to the Agents and their counsel copies of all correspondence indicating that the application for the listing and posting for trading on the TSX of the Unit Shares and Warrant Shares and the Compensation Shares, has been conditionally approved, subject only to satisfaction by the Company of the Standard Listing Conditions; and

(g) will deliver to the Agents, without charge, as soon as practicable but in any event by the next Business Day after the Final Receipt is obtained (and will thereafter deliver from time to time), as many commercial copies of the Final Prospectus (and any Supplementary Material) as the Agents may reasonably request for the purposes contemplated hereunder and contemplated by applicable Securities Laws and each such delivery of the Final Prospectus (and any Supplementary Material) shall constitute the consent of the Company to the use of such documents by the Agents and each Selling Firm in connection with the distribution of the Offered Units, the Over-Allotment Option and the Compensation Securities, subject to the Agents and each Selling Firm complying with the provisions of applicable Securities Laws and the provisions of this Agreement.

(3) Prior to or concurrently with the filing of any Supplementary Material with the Securities Commissions, the Company will deliver to the Agents documents similar to those referred to in Sections 4(2)(a) to (h) inclusive.

(4) Prior to the filing of the Offering Documents and thereafter, during the period of distribution of the Offered Units, the Company shall have allowed the Agents to participate fully in the preparation of, and to approve the form and content of, such documents and shall have allowed the Agents to conduct all due diligence investigations (which shall include the attendance of management of the Company, the Auditor, legal counsel and any experts or other consultants requested by the Agents at one or more due diligence sessions to be held) which they may reasonably require in order to fulfill their obligations under the Securities Laws and in order to enable them to responsibly execute the certificate required to be executed by them in the Prospectus.

(5) During and prior to the completion of the period of distribution, the Company will, to the satisfaction of counsel to the Agents, acting reasonably, promptly take or cause to be taken all steps and proceedings that may be required from time to time under Canadian Securities Laws to qualify the Offered Units for sale to the public and the grant of the Over-Allotment Option and issuance of the Compensation Options in each of the Qualifying

Jurisdictions or, in the event that they have, for any reason, ceased to be so qualified, to again so qualify them.

(6) The Company represents and warrants to the Agents with respect to the Offering Documents that as at their respective dates of delivery to the Agents as set out above:

(a) all information and statements in such documents (including information and statements incorporated by reference to the extent they have not been superseded by the information and statements in the Offering Documents) (except information and statements relating solely to the Agents and furnished by them specifically for use in a Prospectus) are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company, the Offering and the Offered Units, as required by Canadian Securities Laws;

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

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

(7) Subject to compliance with Canadian Securities Laws, during the period commencing on the date hereof and until completion of the distribution of the Offered Units, the Company will promptly provide to the Agents drafts of any press releases of the Company for review by the Agents prior to issuance and shall obtain the prior approval of the Agents as to the content and form of any press release relating to the Offering prior to issuance, such approval not to be unreasonably withheld or delayed. If required by Securities Laws, any press release announcing or otherwise referring to the Offering disseminated outside the United States shall include an appropriate notation on the face page substantially as follows: "*Not for distribution to the U.S. news wire services, or dissemination in the United States*", and shall include substantially the following language: "This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws."

(8) In connection with any marketing materials:

(a) each of the Company and the Lead Agent has approved in writing the Marketing Materials, the Company has filed the Marketing Materials with the Securities Commissions and the Company has incorporated by reference into the Final Prospectus the Marketing Materials, all in accordance with Canadian Securities Laws;

(b) during and prior to the completion of the period of distribution, the Company and the Agents will not provide any potential investor in the Offered Units with any marketing materials except for the Marketing Materials; and

(c) during and prior to the completion of the period of distribution, in addition to the Marketing Materials, the Company will cooperate with and assist, acting reasonably, the Agents in preparing and approving in writing the versions (or template versions) of any other marketing materials to be used by the Agents in connection with the Offering and will file with and deliver to the Securities Commissions such versions (or template versions) as may be required by Canadian Securities Laws.

Section 5 Material Changes

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

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

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

(c) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents which fact or change is, or may be, of such a nature as to render any statement in such Offering Document misleading or untrue in any material respect or which would result in a misrepresentation in the Offering Document or which would result in any of the Offering Documents not complying (to the extent that such compliance is required) with Canadian Securities Laws.

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

(3) If during the period of distribution of the Offered Units there shall be any change in Canadian Securities Laws or other laws which results in any requirement to file Supplementary Material, the Company will promptly prepare and file such Supplementary Material with the appropriate Securities Commissions where such filing is required, provided that the Company shall have allowed the Agents and its counsel to participate in the preparation and review of any Supplementary Material.

(4) During the period from the date of this Agreement to the completion of the distribution of the Offered Units, the Company will notify the Agents promptly:

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

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

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

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

Section 6 Regulatory Approvals

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

Section 7 Representations and Warranties of the Company

The Company represents and warrants to each of the Agents as follows, and acknowledges that each of them is relying upon such representations and warranties in connection with the offer and sale of the Offered Units:

(a) Each of the Company and its Subsidiaries is duly incorporated and organized and is validly subsisting and in good standing under the laws of its governing jurisdiction, and has all requisite corporate power and authority to own, lease and operate its properties and assets and conduct its business as currently conducted or as planned to be conducted; the Company has all requisite corporate power and authority to enter into this Agreement and carry out its obligations hereunder, and to issue, sell and deliver the Offered Units, and to issue and deliver the Compensation Options in accordance with the provisions of this Agreement; each of the Company and its Subsidiaries is current with all material filings required to be made under the Laws and all other jurisdictions in which it exists or carries on any material business and has all necessary licences, leases, permits, authorizations and other approvals necessary to permit it to conduct its business as it is currently conducted, and all such licences, leases, permits, authorizations and other approvals are in full force and effect in accordance with their terms.

(b) The Common Shares are listed and posted for trading on the TSX.

(c) Except as indicated in Schedule “B”, there are no other agreements, options, warrants, rights of conversion or other rights pursuant to which the Company is, or may become obligated to issue or transfer any securities (including debt securities) or any securities convertible or exchangeable, directly or indirectly, into any of its securities.

(d) No agreement will be in force or effect at the Closing Date which in any manner affects the voting or control of any of the securities of the Company or any Subsidiaries.

(e) The authorized capital of the Company consists of an unlimited number of Common Shares of which, as of the date hereof, 239,192,583 Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company, as of the date hereof.

(f) Except as indicated in Schedule “B”, as of the date hereof, no options to acquire Common Shares are issued and outstanding and no Person has any agreement, option, right or privilege (whether preemptive, contractual or otherwise) capable of becoming an agreement for purchase, acquisition, subscription or issuance of any unissued Common Shares or other securities of the Company.

(g) The Company has no subsidiaries other than the Subsidiaries and no material subsidiaries other than the Material Subsidiaries. The Company does not beneficially own, or exercise control or direction over, outstanding voting shares of any company other than the Subsidiaries. The Company exercises control or direction over all of the outstanding voting shares of the Subsidiaries. The Company beneficially owns, directly or indirectly all of the issued and outstanding shares in the capital of the Subsidiaries and such shares are free and clear of all liens. All shares of the Subsidiaries have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares and no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from the Company or the Subsidiaries of any interest in any of such shares or for the issue of any unissued shares in the capital of the Subsidiaries or any other security convertible into or exchangeable for any such shares.

(h) Neither the Company nor the Subsidiaries are: (i) in breach or violation of any of the terms or provisions of, or in default under (whether after notice or lapse of time or both) any indenture, mortgage, deed of trust, loan agreement or other agreement (written or oral) or instrument to which it is a party or by which it is bound or to which any of its property or assets is subject, or (ii) in violation of the provisions of its articles, by-laws or resolutions or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or any of its properties.

(i) All consents, approvals, permits, authorizations or filings as may be required of the Company under applicable Securities Laws necessary for the execution and delivery of this Agreement, the issuance and sale of the Offered Units, and the issuance of the Compensation Options and the consummation of the transactions contemplated hereby have been made or obtained, as applicable, or will be made or obtained prior to the Closing Time other than customary post-closing filings required to be submitted within the applicable time frame pursuant to applicable Securities Laws.

(j) Each of the execution and delivery of this Agreement, the Compensation Option Certificates, the Warrant Indenture and the Warrant Certificates and the performance by the Company of its obligations hereunder or thereunder, including the issue and sale of the Offered Units and the issue of the Compensation Options, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both): (i) any statute, rule or regulation in effect at the date hereof applicable to the Company including, without limitation, the applicable Securities Laws; (ii) the articles, by-laws or resolutions of the directors and the shareholders of the Company which are in effect at the date hereof; (iii) any mortgage, credit facility, debenture, note, indenture, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound; or (iv) any judgment, decree or order binding the Company or the property or assets of the Company.

(k) Except for the approval of the TSX, no consent, approval, authorization, order, registration or qualification of or with any Person, court or governmental agency or body is required for (i) the execution and delivery of this Agreement, the Compensation Option Certificates, the Warrant Indenture and the Warrant Certificates, (ii) the issuance of the Offered Units and the Compensation Options, and (iii) the completion of this Offering.

(l) The operations of the Company have not been, are not being, and will not be, immediately following the Closing Time, conducted in violation of any laws or impair the ability of the Company to complete the transactions contemplated by this Agreement.

(m) At the Closing Time, all necessary corporate action will have been taken by the Company to create, allot and authorize the issuance of the Offered Units, the Compensation Options and, upon the payment for the Offered Units and upon the due exercise of the Compensation Options in accordance with the provisions thereof, including payment of the exercise price therefor, the Offered Units and Compensation Shares, respectively, will be validly issued as fully-paid securities of the Company and will not have been issued in violation of or subject to any pre-emptive rights or other contractual rights to purchase securities issued by the Company.

(n) At the Closing Time, each of this Agreement, the Compensation Option Certificates, the Warrant Indenture and the Warrant Certificates shall have been duly authorized and executed and delivered by the Company and upon such execution and delivery by the Company and the other parties thereto each shall constitute a valid and binding obligation of the Company and each shall be enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law.

(o) The definitive form of certificate representing the Common Shares is in proper form under the laws of Canada and complies in all respects with the requirements of the TSX and does not conflict with the constating documents of the Company.

(p) The definitive forms of certificates representing the Compensation Options and the Warrants, respectively, do not conflict with the constating documents of the Company or the requirements of the TSX.

(q) No order, ruling or determination having the effect of ceasing or suspending trading of any securities of the Company, prohibiting the sale of such securities or preventing the use of the Final Prospectus has been issued to the Company or made by any Securities Commission or stock exchange and is outstanding and no investigations or proceedings for such purposes are pending or threatened by any such authority under any applicable Securities Laws.

(r) The Company is a reporting issuer or the equivalent in good standing under the Securities Laws of each of the Reporting Provinces.

(s) The Company is in compliance with the timely and continuous disclosure obligations under the applicable Securities Laws and, without limiting the generality of the foregoing, there has not occurred any adverse material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition, capital or prospects of the Company since December 31, 2018, which has not been publicly disclosed on a non-confidential basis and all the statements set forth in the Company's Information Record are true, correct, and complete in all material respects and do not contain any misrepresentation as of the date of such statements and the Company has not filed any confidential material change reports since the date of such statements.

(t) There is not, in the constating documents of the Company or in any Material Agreement, mortgage, note, debenture, indenture or other instrument or document to which the Company is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Company or the payment of dividends by the Company to the holders of its Common Shares.

(u) All of the material contracts and agreements of the Company and the Subsidiaries not made in the ordinary course of business have been disclosed to the Agents and, if required under the applicable Securities Laws, have or will be filed with the Securities Commissions. Neither the Company nor any Subsidiary has received any notification from any party that it intends to terminate any such material contract.

(v) There are no legal or governmental actions, proceedings or investigations pending or, to the Best of the Company's Knowledge, contemplated or threatened against the Company or its Subsidiaries, at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board or agency, domestic or foreign, which questions the validity of the issuance, sale or delivery of the Offered Units and the issuance or delivery of the Compensation Options or the validity of any action taken or to be taken by the Company pursuant to or in connection with this Agreement.

(w) None of the Company, its Subsidiaries, or any other party to any agreement or instrument is in material default in the observance or performance of any term or obligation to be performed by it under any such agreement or instrument to which the Company or its Subsidiaries is a party and no event has occurred which with notice or lapse of time or both would constitute such a default on the part of the Company or any of the Subsidiaries.

(x) Each of the Company and its Subsidiaries is the beneficial owner of all its respective properties, business and assets or of the interests in its respective properties, business or assets, in each case free and clear of all material liens, and all agreements under which the Company or its Subsidiaries holds an interest in a property, business or asset are in good standing according to their terms.

(y) The Company will use the net proceeds from the issue and sale of the Offered Units in accordance with the disclosure set out in the Prospectus.

(z) Neither the Company nor any Subsidiary has received notice from any governmental or regulatory authority of any jurisdiction in which it carries on a material part of its business, or owns or leases any material property, of any restriction on its ability to or of a requirement for it to qualify to, nor is it otherwise aware of any restriction on its ability to or of a requirement for it to qualify to, conduct its business in such jurisdiction.

(aa) Computershare Trust Company of Canada at its principal office in Toronto has been duly appointed as the registrar and transfer agent for the Common Shares and the Warrant Agent for the Warrants.

(bb) Subsequent to December 31, 2018, other than disclosed in the Prospectus: (i) there has not been any adverse material change or change in material fact (actual, proposed, threatened or contemplated) in the business, affairs, operations, business prospects, assets, liabilities or obligations, contingent or otherwise, or capital of the Company or the Subsidiaries; (ii) there has not been any adverse material change in the consolidated financial position of the Company; (iii) there has not been any material change in the capital or long-term debt of the Company and its Subsidiaries on a consolidated basis, and (iv) there has been no material transaction entered into by the Company or the Subsidiaries, other than those in the ordinary course of business.

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

(dd) The Financial Statements have been prepared in accordance with IFRS and the applicable Securities Laws and present fairly in all material respects the consolidated financial position of the Company, as at their respective dates.

(ee) There are no material liabilities of the Company whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Financial Statements.

(ff) The auditors who provided their audit reports on the Audited Financial Statements are independent public accountants as required under Applicable Securities Laws, are a "participating audit firm" (within the meaning of National Instrument 52-108 – *Auditor Oversight)* and are in compliance with any restriction or sanction imposed by the Canadian Public Accountability Board.

(gg) There has never been a reportable event (within the meaning of NI 51-102) between the Company and its present or former auditors.

(hh) Each of the Company and the Subsidiaries has filed all federal, provincial, state, local and foreign tax returns that are required to be filed and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith, and for which adequate reserves have been recorded; each of the Company and the Subsidiaries has withheld, charged and/or collected all taxes required to be withheld, charged and/or collected by it and remitted as and when required such taxes to the appropriate tax authority.

(ii) Each of the Company and the Subsidiaries has established on its books and records reserves that are adequate for the payment of all taxes not yet due and payable and, there are no liens for taxes on the assets of the Company or the Subsidiaries and there are no audits pending on the tax returns of the Company or the Subsidiaries (whether federal, state, provincial, local or foreign) and there are no claims which have been asserted relating to any such tax returns.

(jj) No domestic or foreign taxation authority has asserted or threatened to assert any assessment, claim or liability for taxes due or to become due in connection with any review or examination of the tax returns of the Company or the Subsidiary (including, without limitation, any predecessor companies) filed over the last three years.

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

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

(mm) Other than the Subsidiaries, the Company does not own, directly or indirectly, or exercise control or direction over, and has not agreed to acquire outstanding securities of any other Company or options to acquire securities of any other Company, other than marketable securities held in the ordinary course of business, or a participating interest in any Person.

(nn) None of the directors or officers of the Company or any associate or affiliate of the foregoing has or intends to have, any interest, direct or indirect, in any transaction or any proposed transaction with the Company which would materially affect, is material to or will materially affect the Company.

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

(pp) Other than as disclosed in the Financial Statements, the Company and the Subsidiaries are not party to any Debt Instrument, contract or commitment to create, assume or issue any debt and neither the Company nor any Subsidiary has made any loans to, or guaranteed the obligations of, any Person.

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

(rr) Except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect on the condition of the Company, each of the Company and the Subsidiaries are in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages.

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

(tt) None of the directors, officers or employees of the Company, any known holder of more than ten percent (10%) of any class of securities of the Company, 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, is material to or will materially affect the Company.

(uu) With respect to the premises which the Company or the Subsidiaries occupies as tenant, the Company or a Subsidiary, as the case may be, occupies such leased premises and has the exclusive right to occupy and use the leased premises and the leases pursuant to which the Company or the Subsidiary, as the case may be, occupies the leased premises are in good standing in all material respects and in full force and effect.

(vv) Neither the Company nor any Subsidiaries owns any real property.

(ww) The Company and each of the Subsidiaries is insured against such losses and risks and in such amount as are customary in the business in which it is engaged or as are required to be kept in place pursuant to its Intellectual Property licenses, credit agreements and material contracts. All policies of insurance insuring the Company, each Subsidiary or any of their respective businesses, assets, employees, officers and directors are in full force and effect, and the Company and each Subsidiary are in compliance with the terms of such policies in all material respects. There are no material claims by the Company or each Subsidiary under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause.

(xx) The Company and each Subsidiary: (i) is in compliance with any and all applicable federal, provincial and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"); (ii) has received all permits, licences or other approvals required under applicable Environmental Laws to conduct its business; and (iii) is in compliance with all terms and conditions of any such permit, license or approval, and there have been no past, and there are no pending or threatened claims, complaints, notices or requests for information received by the Company or any of the Subsidiaries with respect to any alleged material violation of any Environmental Law and no conditions exist which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law.

(yy) Except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect on the condition of the Company and, to the Best of the Company's Knowledge, (i) the Company and each of the Subsidiaries owns all right, title and interest in and to all Intellectual Property used by each such entity in their respective businesses, and, except for recently identified inventions for which patents will be diligently pursued, and pending applications for patents which may be rejected by the relevant Intellectual Property office, or have their claims amended during prosecution, has the sole and exclusive right to use such Intellectual Property in their respective businesses; and (ii) except for pending applications for patents which may be rejected by the relevant Intellectual Property office, or have their claims amended during prosecution, no event has occurred during the registration or filing of, or during any other proceeding relating to, such Intellectual Property that would make invalid or unenforceable, or negate the right to use, any Intellectual Property of the Company or the Subsidiaries. To the Best of the Company's Knowledge, there are no facts or issues which currently exist with respect to pending applications for patents comprising the Intellectual Property that are likely to result in such applications being rejected by the relevant Intellectual Property office. The conduct of the business of the Company and the Subsidiaries and the use of their respective Intellectual Property does not infringe, and the Company has not received any notice, complaint, claim, or threat, alleging infringement of, any patent, trade mark, trade name, copyright, industrial design, trade secret or proprietary right of any other Person, the infringement of which or the determination of any alleged infringement against the Company or any Subsidiary would reasonably be expected to have a Material Adverse Effect on the condition of the Company.

(zz) Except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect on the condition of the Company and, to the Best of the Company's Knowledge, the Company and its Subsidiaries own or possess valid enforceable rights to use all material patents, patent applications, trademarks, service marks, copyrights, trade secrets, processes or formulations used or proposed to be used in the conduct of their respective businesses (collectively, the "**Proprietary Rights**") and none of the Company or its Subsidiaries is infringing upon the rights of others with respect to its respective Proprietary Rights and, to the Best of the Company's Knowledge, no others have infringed such Proprietary Rights.

(aaa) Neither the marketing, licence, distribution, sale or use of any product or service currently marketed, licensed, distributed, sold or used by the Company violates any license or agreement of the Company with any person, which violation of or the consequences thereof would individually or in the aggregate reasonably be expected to have a Material Adverse Effect, nor, to the Best of the Company's Knowledge, infringes upon the industrial or intellectual property rights of any other person, whether common law or statutory, including rights relating to defamation, rights of privacy or publicity and contractual rights.

(bbb) To the Best of the Company's Knowledge, the conduct of the business of the Company or of a Subsidiary has not infringed, violated, misappropriated or otherwise conflicted with any material intellectual property right of any person.

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

(ddd) The Company and each of the Subsidiaries has taken reasonable precautions and taken reasonable measures to protect and preserve the security and confidentiality of its trade secrets and other confidential information, and none of the trade secrets or other confidential information of the Company or any Subsidiary are part of the public domain or knowledge, nor have any trade secrets or confidential information been misappropriated by any person having an obligation to maintain such trade secrets or other confidential information in confidence for the Company or a Subsidiary.

(eee) Each of the current and former employees of the Company and each Subsidiary, including for greater certainty each of the officers of the Company and each Subsidiary, has entered into a proprietary rights agreement with their respective employer, being the Company or a Subsidiary, (i) assigning to such employer any Intellectual Property rights in any developments, works, inventions or improvements produced or designed by such person, during the term of and in the course of employment with the Company or a Subsidiary, and waiving any moral rights in the same, as the case may be; and (ii) which contains customary confidentiality, noncompetition and non-disclosure covenants.

(fff) The Company or the Subsidiary (or parties under contractual obligation to the Company or the Subsidiary) holds and is in compliance with all licences, certificates, approvals and permits from all provincial, federal, state, United States, foreign and other regulatory authorities that are material to the conduct of the business of the Company and its Material Subsidiaries as currently conducted, all of which are valid and in full force and effect, and there is no proceeding pending or threatened which may cause any such license, certificate, approval or permit to be withdrawn, cancelled, suspended or not renewed.

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

(hhh) No labour disturbance by or dispute with employees of the Company or any of its Subsidiaries exists or is contemplated or, to the Best of the Company's Knowledge, threatened, and the Company is not aware of any existing or imminent labour disturbance by, or dispute with, the employees of any of its or its Subsidiaries' principal suppliers, contractors or customers.

(iii) Except as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect on the condition of the Company, the Company and each of the Subsidiaries is in compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice.

(jjj) The Company is not currently pursuing any litigation against any person for any infringement, misappropriation or misuse of its Intellectual Property.

(kkk) No proceedings have been taken, instituted or are pending, for the dissolution, winding-up or liquidation of the Company or any Subsidiary.

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

(mmm) There have been no past unresolved, pending or, to the Best of the Company's Knowledge, threatened claims, complaints, notices or requests for information received by the Company or the Subsidiaries with respect to any alleged material violation of any law, statute, order, regulation, ordinance or decree; and no conditions exist at, on or under any property now owned, operated or leased by the Company or the Subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree.

(nnn) Neither the Company nor any Subsidiary nor, to the Best of the Company's Knowledge, any director, officer, employee, agent or representative of the Company or of any of its Subsidiaries has taken any action in furtherance of an offer, payment, promise to pay, authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity, of a public international organization, or any Person acting in an official capacity for or on behalf of any of the foregoing, or any political party, party official or candidate for political office) to influence official action or secure an improper advantage, including in violation of the *Corruption of Foreign Public Officials Act*, and the Company and the Subsidiaries have conducted their businesses in compliance with applicable anti-corruption laws.

(ooo) The operations of the Company and the Subsidiaries are and have been conducted, at all times, in compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which the Company and the Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of the Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the Best of the Company's Knowledge, threatened.

(ppp) To the Best of the Company's Knowledge, none of the directors or officers of the Company are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular exchange.

(qqq) Neither the Company nor, to the Best of the Company's Knowledge, its officers or directors are aware of any circumstances presently existing under which liability is or could reasonably be expected to be incurred by the Company under Part 17.01 – *Civil Liability for Secondary Market Disclosure* of the Act.

(rrr) Neither the Company nor its Subsidiaries, nor, to the Best of the Company's Knowledge, any of their respective employees or agents, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States or provincial or state governmental officer or official or other person charged with similar public or quasi-public duties.

(sss) The Company and the Subsidiaries have not made any significant acquisition as such term is defined in Part 8 of NI 51-102 in its current financial year or prior financial years in respect of which historical and/or pro forma financial statements or other information would be required to be included or incorporated by reference into the Prospectus and for which a business acquisition report has not been filed under NI 51-102, and has not entered into any agreement or arrangement in respect of a transaction that would be a significant acquisition for purposes of Part 8 of NI 51-102.

(ttt) The attributes of the Offered Units, Compensation Options and Compensation Shares conform in all material respects to the descriptions thereof to be contained in the Prospectus.

(uuu) The grant of the Over-Allotment Option by the Company in accordance with the terms of this Agreement has been authorized by all necessary corporate action of the Company.

(vvv) Except for the Agents as provided herein, there is no person, firm or Company acting for the Company entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder.

(www) The officers of the Company who participated in the due diligence session held on June 17, 2019 with the Lead Agent have answered every question or inquiry of the Lead Agent and its counsel asked at such sessions in connection with the Agents' due diligence investigations fully and truthfully in all material respects.

(xxx) The Company is an Eligible Issuer.

(yyy) The Company has not withheld and will not withhold from the Agents prior to the Closing Time, any material facts relating to the Company, the Subsidiaries, or the Offering.

Section 8 Covenants of the Company

The Company covenants and agrees with the Agents, and acknowledges that each of them is relying on such covenants in connection with the offer and sale of the Offered Units, as follows:

(1) *Notification of Filings*. The Company will advise the Agents, promptly after receiving notice thereof, of the time when the Offering Documents have been filed, as applicable, and receipts, as applicable, therefor have been obtained and will provide evidence reasonably satisfactory to the Agents of each such filing and copies of such receipts.

(2) *Standstill*. The Company will not, directly or indirectly, for a period commencing on the date of this Agreement and ending 90 days after the Closing Date, without the prior written consent of the Lead Agent, on behalf of the Agents not to be unreasonably withheld, issue, sell, offer, grant an option or right in respect of (or agree to or publicly announce an intention to do any of the foregoing) any additional Common Shares or any securities convertible into or exchangeable into Common Shares, other than (i) pursuant to the Offering (including the Over-Allotment Option) or the Concurrent Private Placement; (ii) pursuant to the grant or exercise of stock options, restricted share units and other similar issuances pursuant to any stock option or incentive plan or similar share compensation arrangements in place, (iii) pursuant to the exercise of convertible securities, warrants, options or other existing outstanding obligations; (iv) in connection with any arm's length property or other corporate acquisitions; or (v) in connection with the potential asset-based senior secured loan facility announced by the Company on June 17, 2019.

(3) *Maintain Reporting Issuer Status*. The Company 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 Canadian Securities Laws in each of the Qualifying Jurisdictions, to the date that is at least 24 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Company.

(4) *Maintain Stock Exchange Listing*. The Company will use its commercially reasonable efforts to maintain the listing of the Common Shares (including those issuable pursuant to the Offering) on the TSX or such other recognized stock exchange or quotation system as the Agents may approve, acting reasonably, for a period of at least 60 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Company.

(5) *Validly Issued Unit Shares, Commission Shares and Corporate Finance Fee Shares*. The Company will ensure that at the Closing Time the Unit Shares, the Commission Shares and the Corporate Finance Fee Shares have been duly and validly issued as fully paid and non-assessable Common Shares.

(6) *Validly Issued Warrants and Warrant Shares*. The Company will ensure that the Warrants have been validly issued, that the Warrant Shares have been duly authorized and allotted for issuance, and that upon the due exercise of the Warrants in accordance with the provisions of the Warrant Indenture including payment therefor, that the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares.

(7) *Validly Issued Compensation Options*. The Company will ensure that the Compensation Options are duly and validly created, authorized and issued and shall have the attributes corresponding to the description thereof set forth in this Agreement and the Compensation Option Certificates.

(8) *Validly Issued Compensation Shares*. The Company will ensure, at all times prior to the date that is 24 months from the Closing Date, that sufficient Compensation Shares are authorized and allotted for issuance upon due and proper exercise of the Compensation Options, and upon issuance in accordance with the terms of the Compensation Option

Certificates, the Compensation Shares shall be validly issued as fully paid and non-assessable Common Shares.

(9) *Use of Proceeds*. The Company will use commercially reasonable efforts to use the proceeds of the Offering in the manner specified in the Prospectus under the heading "Use of Proceeds".

(10) *Consents and Approvals*. The Company will have made or obtained, as applicable, at or prior to the Closing Time, all consents, approvals, permits, authorizations or filings as may be required by the Company under Canadian Securities Laws necessary for the consummation of the transactions contemplated herein, other than customary post-closing filings as may be required to be submitted within the applicable time frame pursuant to Securities Laws and the rules of the TSX.

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

Section 9 Representations, Warranties and Covenants of the Agents

(1) Each Agent hereby severally, and not jointly, nor jointly and severally, represents and warrants to the Company, that:

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

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

(c) *Marketing Materials*. Other than the Marketing Materials, the Agents have not provided any marketing materials to any potential investors in connection with the Offering.

(2) The Agents hereby severally, and not jointly, nor jointly and severally, covenant and agree with the Company, as follows:

(a) *Jurisdictions.* During the period of distribution of the Offered Units by or through the Agents, the Agents will offer and sell the Offered Units to the public only in the Qualifying Jurisdictions where they may lawfully be offered for sale upon the terms and conditions set forth in the Prospectus and this Agreement, either directly or through its Selling Group. The Agents shall be entitled to assume that the Offered Units are qualified for distribution in any Qualifying Jurisdiction where the Final Receipt shall have been obtained following the filing of the Prospectus.

(b) *Compliance with Securities Laws.* The Agents will comply with applicable Securities Laws in connection with the offer and sale and distribution of the Offered Units. The Agents will offer for sale the Offered Units for sale by the Company in such other international Selling Jurisdictions on a private placement basis, in accordance with applicable Securities Laws in such other international Selling Jurisdictions.

(c) *Sales.* The Agents will not, directly or indirectly, solicit offers to sell or sell the Offered Units or deliver any Offering Document to purchasers so as to require registration of the Offered Units or the filing of a prospectus or registration statement with respect to the Offered Units under the Applicable Laws of any jurisdiction other than the Qualifying Jurisdictions.

(d) *Completion of Distribution.* The Agents will use their commercially reasonable efforts to complete the distribution of the Offered Units as promptly as possible after the Closing Time. The Lead Agent will notify the Company when the Agents have ceased the distribution of the Offered Units and, within thirty (30) days after the Closing Date, will provide the Company, in writing, with a breakdown of the number of Offered Units distributed (i) in each of the Qualifying Jurisdictions, and (ii) in any other Selling Jurisdictions.

(e) *Liability on Default.* No Agent shall be liable to the Company under this Section 9 with respect to a breach or default contained in this Agreement by any other Agent, such other Agent's U.S. Affiliates or any Selling Firm appointed by such other Agent, as the case may be.

Section 10 Conditions of Closing

The Agents' obligation to complete the Closing pursuant to this Agreement (including the obligation to arrange for the purchase and sale of the Offered Units at the Closing Time) shall be subject to the following conditions having been met at the Closing Time:

(1) *Corporate and Securities Laws Opinions of the Company*. The Agents receiving favourable legal opinions from Aird & Berlis LLP, legal counsel to the Company (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to counsel to the Agents as to the qualification of the Offered Units for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the Province of Ontario and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, public and exchange officials or of the Auditor or transfer agent of the Company), addressed to the Agents and the Purchasers, substantially to the effect set forth below, subject to customary assumptions, qualifications and limitations:

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

(b) the authorized and issued capital of the Company;

(c) the Company has all necessary corporate power and capacity to (i) execute, deliver and perform its obligations under the Transaction Documents; (ii) to create, issue and sell, as applicable, the Offered Units and the Compensation Securities; and (iii) to grant the Over-Allotment Option;

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

(e) the Company being a “reporting issuer” not included on the list of issuers in default in each of the Provinces of Canada, other than Quebec;

(f) the execution and delivery of the Transaction Documents and the fulfilment of the terms thereof by the Company and the issuance, sale and delivery of the Offered Units, the Compensation Securities and the grant of the Over-Allotment Option, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with the notice of articles and articles of the Company, any resolutions of the shareholders or directors (including committees of the board of directors) of the Company, or any applicable corporate law or Canadian Securities Laws;

(g) all necessary corporate action has been taken by the Company to authorize the certification and filing of each of the Preliminary Prospectus and the Final Prospectus (and any Supplementary Material) with the Securities Commissions in the Qualifying Jurisdictions;

(h) the Unit Shares, the Commission Shares and the Corporate Finance Fee Shares have been validly issued as fully paid and non-assessable Common Shares;

(i) the Warrants have been validly issued;

(j) the Warrant Shares have been duly authorized and allotted for issuance and, upon the due exercise of the Warrants in accordance with the provisions of the Warrant Indenture including payment therefor, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares;

(k) the Compensation Options have been duly and validly created and issued and the Compensation Shares have been duly authorized and allotted for issuance and, upon the due exercise of the Compensation Options in accordance with the provisions of the Compensation Option Certificates including payment therefor, the Compensation Shares will be validly issued as fully paid and non-assessable Common Shares;

(l) all necessary documents have been filed, all necessary proceedings have been taken and all necessary authorizations, approvals, permits, consents and orders have been obtained under Canadian Securities Laws to qualify the distribution to the public of the Offered Units in the Qualifying Jurisdictions by or through persons who are duly registered under the applicable Canadian Securities Laws and who have complied with the relevant provisions of such applicable Canadian Securities Laws, to qualify the issuance of the Compensation Options and the grant of the Over-Allotment Option to the Agents;

(m) the issuance by the Company of the Compensation Shares upon the due exercise of the Compensation Options is exempt from, or is not subject to, the prospectus and registration requirements of the Canadian Securities Laws of the Qualifying Jurisdictions and no prospectus or other documents are required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained under the Canadian Securities Laws of the Qualifying Jurisdictions in connection therewith;

(n) the first trade in or resale of the Compensation Shares is exempt from, or is not subject to, the prospectus requirements of the Canadian Securities Laws of the Qualifying Jurisdictions and no filing, proceeding or approval will need to be made, taken or obtained under such laws in connection with any such trade, provided that the trade is not a "control distribution" (as defined in NI 45-102) and the Company is a reporting issuer at the time of the trade;

(o) subject to the qualifications and assumptions set out therein, the statements set forth in the Preliminary Prospectus and the Final Prospectus under the caption "Eligibility for Investment", insofar as they purport to describe the provisions of the laws referred to therein, are fair summaries of the matters discussed therein;

(p) subject only to the Standard Listing Conditions, the Offered Units, the Compensation Shares, the Commission Shares and the Corporate Finance Fee Shares have been conditionally approved for listing on the TSX; and

(q) to such other matters as may reasonably be requested by the Agents no less than 48 hours prior to the Closing Time;

in form and substance acceptable to the Agents and their counsel, acting reasonably.

(2) *Officers' Certificate*. The Agents receiving a certificate dated the Closing Date and signed by two senior officers of the Company as may be acceptable to the Agents, acting reasonably, in form and substance satisfactory to the Agents, acting reasonably, with respect to:

(a) the constating documents of the Company;

(b) the resolutions of the directors of the Company relevant to the Offering Documents, the sale of the Offered Units, the grant of the Over-Allotment Option and the authorization of the Transaction Documents and the transactions contemplated herein and therein; and

(c) the incumbency and signatures of signing officers for the Company.

(3) *Certificates of Status*. The Agents receiving certificates of status and/or compliance, where issuable under applicable law, for the Company and each of the Subsidiaries, each dated within one (1) Business Day prior to the Closing Date.

(4) *Officers' Bring Down Certificate*. The Agents receiving a certificate dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer or such other senior officer(s) of the Company as may be acceptable to the Agents, certifying for and on behalf of the Company and without personal liability, after having made due enquiries, that:

(a) the representations and warranties of the Company contained in this Agreement, and in any certificates of the Company delivered pursuant to or in connection with this Agreement, are true and correct in all material respects as of the Closing Time as if such representations and warranties were made as at the Closing Time, after giving effect to the transactions contemplated hereby;

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

(c) no order, ruling or determination having the effect of suspending the sale or ceasing the trading or prohibiting the sale of the Offered Units or any other securities of the Company (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority;

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

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

(5) *Auditor Bring Down Letter*. The Agents receiving the auditors “bring down” comfort letter dated the Closing Date from the Auditors, in form and substance satisfactory to the Agents, acting reasonably, bringing forward to a date not more than two (2) Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 4(2)(d) hereof.

(6) *Issued and Outstanding Certificate*. The Agents receiving a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at the end of business on the date prior to the Closing Date.

(7) *Consents and Approvals*. The Company will have made and/or obtained all necessary filings, approvals, permits, consents and acceptances to or from, as the case may be, the board of directors, the Securities Regulators, and any other applicable person required to be made or obtained by the Company in connection with the transactions contemplated by this Agreement, on terms which are acceptable to the Company and the Agents, acting reasonably, prior to the Closing Date, it being understood that the Agents will do all that is reasonably required to assist the Company to fulfil this condition.

(8) *Concurrent Private Placement*. The Concurrent Private Placement having closed concurrently with or prior to the Closing Time.

(9) *Stock Exchange Approval*. Subject only to satisfaction by the Company of the Standard Listing Conditions, the Offered Shares, the Compensation Shares, the Commission Shares and the Corporate Finance Fee Shares will, at the opening of trading on the TSX on the Closing Date be listed and posted for trading on the TSX.

(10) *Other Documents*. The Agents having received such further certificates, opinions of counsel and other documentation from the Company contemplated herein, provided, however, that the Agents or their counsel shall request any such certificate or document within a reasonable period prior to the Closing Time that is sufficient for the Company to obtain and deliver such certificate, opinion or document.

(11) *No Exercise of Termination Rights*. The Agents not having exercised any rights of termination set forth herein.

(12) *Minimum Subscription Amount*. Subscriptions for a minimum of 64,455,493 Offered Units having been received within 10 days following the date of issuance of the Final Receipt.

Section 11 Closing

(1) *Location of Closing.* The Offering will be completed electronically, and concurrently at the offices of Aird & Berlis LLP and Cassels Brock & Blackwell LLP in Toronto, Ontario at the Closing Time.

(2) *Securities.* At the Closing Time, subject to the terms and conditions contained in this Agreement, the following shall occur sequentially: (a) the Lead Agent (on behalf of the Agents) shall pay the aggregate Offering Price for the Offered Units being issued and sold hereunder, net of the Cash Commission, the Corporate Finance Fee plus applicable HST thereon, $2,600 in respect of the HST payable on the Corporate Finance Fee Shares and the expenses of the Agents payable by the Company as set out in this Agreement, by wire transfer or certified cheque; (b) the Company shall deliver to the Agents in Toronto, Ontario, the Offered Units in electronic or certificated form, registered as directed by the Agents in writing not less than 24 hours prior to the Closing Time; and (c) the Company shall register and issue the Compensation Options, the Commission Shares and the Corporate Finance Fee Shares as directed by the Lead Agent.

Section 12 Closing of the Over-Allotment Option

(1) *Written Notice of Exercise*. The Over-Allotment Option may be exercised for a period of 30 days from and including the Closing Date. The Lead Agent, on behalf of the Agents, shall provide written notice to the Company of their election to exercise the Over-Allotment Option, at or before 5:00 p.m. (Toronto time) on the 30th day following Closing Date, which notice will set forth: (i) the aggregate number of Over-Allotment Units to be issued and sold; and (ii) the closing date for the issue and sale of the Over-Allotment Units, provided that such closing date shall not be less than three (3) Business Days and no more than seven (7) Business Days following the date of such notice.

(2) *Closing.* The offer and sale of the Over-Allotment Units, if required, shall be completed at such time and place as the Agents and the Company may agree, and in accordance with Section 12(1) above.

(3) *Securities.* At the closing of the Over-Allotment Option, subject to the terms and conditions contained in this Agreement, the Company shall deliver to the Agents the Over-Allotment Units in electronic or certificated form, registered as directed by the Agents, against payment to the Company by the Agents of the aggregate Offering Price for the Over-Allotment Units being issued and sold by wire transfer or certified cheque, net of the Cash Commission plus applicable HST thereon, and any expenses of the Agents payable by the Company as set out in this Agreement.

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

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

Section 13 Indemnification

(1) The Company covenants and agrees to indemnify and save harmless the Agents, and each of their subsidiaries and affiliates and their respective directors, officers, employees, partners, agents, advisors, shareholders and other persons, if any, controlling such person (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits), including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements, costs 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 (each a "**Claim**" and, 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:

(a) any information or statement (except any statement relating solely to the Agents and furnished by the Agents in writing for use therein) contained in the Offering Documents or in any certificate or other document of the Company or of any officer of the Company or its Subsidiaries delivered hereunder or pursuant hereto which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation;

(b) any omission or alleged omission to state in the Offering Documents or any certificate or other document of the Company or any officer of the Company or its Subsidiaries delivered hereunder or pursuant hereto any fact, whether material or not (except facts relating solely to the Agents and furnished by the Agents in writing for use therein), required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;

(c) any order made or any inquiry, investigation or proceedings commenced or threatened by any securities commission, stock exchange or other competent authority based upon any actual or alleged untrue statement, omission or misrepresentation (except a statement, omission or misrepresentation relating solely to the Agents and furnished by the Agents in writing for use therein) in the Offering Documents or based upon any actual or alleged failure to comply with applicable Securities Laws (other than any failure or alleged failure to comply by the Agents or the Selling Firms), preventing or restricting the trading in Common Shares or the Distribution of the Offered Units;

(d) the non-compliance or alleged non-compliance by the Company with any requirement of applicable Securities Laws in connection with the transactions herein contemplated including the Company's non-compliance with any statutory requirement to make any document available for inspection;

(e) any breach of any representation or warranty of the Company contained herein or in any certificate or other document of the Company or of any officers of the Company or any of the Material Subsidiaries delivered hereunder or pursuant hereto or the failure of the Company to comply with any of its obligations hereunder; or

(f) any omission, act or conduct of the Company in connection with the Offering occurring before the date of this Agreement.

(2) If and to the extent that a court of competent jurisdiction, in a final non-appealable judgment in a proceeding in which an Indemnified Party is named as a party, determines that a Claim was caused by or resulted from such Indemnified Party's breach of the Agreement, gross negligence, bad faith, fraud or wilful misconduct, such Indemnified Party shall reimburse any funds advanced by the Company to such Indemnified Party pursuant to this indemnity in respect of such Claim and thereafter this indemnity shall cease to apply to such Indemnified Party in respect of such Claim and the Company shall have no liability to such Indemnified Party. The Company agrees to waive any right the Company might have of first requiring any 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.

(3) If any 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 Company, the Indemnified Party will give the Company prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Company shall be entitled (but not required) to assume the defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected, acting reasonably, and the payment of all reasonable expenses. Failure by the Indemnified Party to so notify shall not relieve the Company of its obligation of indemnification hereunder unless (and only to the extent that) such failure results in forfeiture by the Company of substantive rights or defences.

(4) No admission of liability and no settlement, compromise or termination of any Claim, or investigation shall be made without the Company's consent and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld. Notwithstanding that the Company has the right to undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel

with respect to such 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) employment of such counsel has been authorized in writing by the Company;

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

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

in which case such fees and expenses of such counsel to the Indemnified Party will be for the Company's account. In no event shall the Company be required to pay the fees and expenses of more than one counsel in any one jurisdiction for all of the Indemnified Parties in respect of any particular Claim or related set of Claims. 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.

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

(6) The Company agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Company or any person asserting claims on the Company's behalf or in right for or in connection with any Claim, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Company are determined by a court of competent jurisdiction in a final judgment (in a proceeding in which an Indemnified Party is named as a party) that has become non-appealable to have resulted from the breach of the Agreement, gross negligence or wilful misconduct of such Indemnified Party.

(7) The Company agrees to reimburse the Indemnified Parties monthly for the time spent by the Indemnified Parties' personnel in connection with any Claim at their normal per diem rates. The Company also agrees that if any action, suit, proceeding or claim shall be brought against, or an investigation commenced in respect of, the Company or the Company and the Indemnified Parties and personnel of the Indemnified Parties shall be required to testify, participate or respond in respect of or in connection with the Offering, the Indemnified Parties shall have the right to employ its own counsel in connection therewith and the Company will reimburse the Indemnified Parties monthly for the time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and reasonable out-of-pocket expenses as may be incurred, including fees and disbursements of the Indemnified Parties' counsel.

(8) The rights of indemnity contained herein shall not enure to the benefit of the Agents to the extent that the Company has complied with its obligations under Section 5 and the person asserting any claim for which indemnity would otherwise be available was not provided

with a copy of any amendment which corrects any misrepresentation contained in the Final Prospectus which is the basis for such claim and which amendment is required under Applicable Securities Laws to be delivered to such Person.

Section 14 Contribution

(1) In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 14 would otherwise be available in accordance with its terms but is, for any reason, unavailable to or unenforceable by the Agents or enforceable otherwise than in accordance with its terms or insufficient to hold any Indemnified Party harmless, the Company shall contribute to all claims suffered or incurred by any Indemnified Party in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and any Indemnified Party on the other hand from the Distribution of the Offered Units but also the relative fault of the Company or any Indemnified Party as well as any relevant equitable considerations. The Company shall in any event be liable to contribute to the amount paid or payable by an Indemnified Party as a result of a claim under Section 13, any amounts in excess of the Commission or any portion of such Commission actually received by the Indemnified Party. The Agents shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the Commission or any portion of such Commission actually received. However, no party who has engaged in any fraud, fraudulent misrepresentation, wilful misconduct or negligence shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation, wilful misconduct or negligence.

(2) The rights to contribution provided in this Section 14 shall be in addition to and not in derogation of any other right to contribution which the Agents may have by statute or otherwise at law.

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

(a) the portion of the full amount of the loss or liability giving rise to such contribution for which the Agents are responsible, as determined in this Section 14; and

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

(4) With respect to any Indemnified Party who is not a party to this Agreement, it is the intention of the Company to constitute the Lead Agent as trustee for such Indemnified Party of the rights and benefits of this Section 14 and the Lead Agent agrees to accept such trust and to hold the rights and benefits of this Section 14 in trust for an on behalf of such Indemnified Party.

(5) For greater certainty, in the event of unenforceability or unavailability of the indemnity provided for in Section 13, the Company shall not have any obligation to contribute pursuant to this Section 14 except to the extent the indemnity given by it in Section 13 would have been applicable to such Claim in accordance with its terms, had such indemnity been found to be enforceable and available to the Indemnified Parties

Section 15 Compensation of the Agents

(1) In consideration of the services to be rendered by the Agents in connection with the Offering, at the Closing Time, the Company shall:

(a) pay:

(i) to the Lead Agent, on behalf of the Agents, a cash fee (the "**Cash Commission**") equal to 6.0% of the aggregate gross proceeds of the Offering (including for certainty on any exercise of the Over-Allotment Option) of which $101,030 is payable to the Agents (as directed by the Lead Agent) by the issuance of 2,020,600 Common Shares (the "**Commission Shares**", and together with the Cash Commission, the "**Commission**"); and

(ii) to the Lead Agent, on its own behalf: (x) $185,000 (plus HST) in respect of advisory services; and (y) a corporate finance fee (the "**Corporate Finance Fee**") of $20,000 in Common Shares (the "**Corporate Finance Fee Shares**") (plus HST), each such Corporate Finance Fee Share having a deemed value equal to the Issue Price; and

(b) issue:

(i) to the Agents that number of compensation options (the "**Compensation Options**") equal to 7.0% of the aggregate number of Offered Units sold pursuant to the Offering (including for certainty on any exercise of the Over-Allotment Option); and

(ii) to the Lead Agent 5,900,000 Compensation Options in respect of advisory services;

each such Compensation Option entitling the holder thereof to acquire one Common Share (a "**Compensation Share**") at the Offering Price for a period of 60 months following the Closing Date.

(2) The obligation of the Company to pay the Cash Commission and the Corporate Finance Fee and to issue and deliver the Compensation Option Certificates, the Corporate Finance Fee Shares and the Commission Shares shall arise at the Closing Time.

(3) The Agents acknowledge that none of the Compensation Securities have been registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Compensation Securities, each of the Agents represents, warrants and covenants that (i) it is acquiring the Compensation Securities as principal for its own account and not for the benefit of any other person; (ii) it is not a U.S. Person and is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States; and (iii) this Agreement was executed and delivered outside the United States. The Agents acknowledge and agree that the Compensation Options may not be exercised in the United States or by or on behalf or for the benefit of a U.S. Person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act or the securities laws of any state of the United States. The Agents agree that they will not engage in any Directed Selling Efforts with respect to any Compensation Securities and will not offer or

sell any Compensation Securities in the United States unless in compliance with an exemption or an exclusion from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

Section 16 Expenses

(1) Whether or not the issue and sale of the Offered Units shall be completed, all costs and expenses of or incidental to the sale and delivery of the Offered Units and of or incidental to all matters in connection with the transactions herein shall be borne by the Company, including, without limitation, all expenses of or incidental to the issue, sale or distribution of the Offered Units, the fees and expenses of the Company's counsel, Auditors and independent experts, all costs incurred in connection with the preparation of documents relating to the Offering, and the reasonable expenses and fees incurred by the Agents which includes but is not limited to out-of-pocket and travel expenses in connection with due diligence and marketing meetings of the Agents and the reasonable fees of the Agents' legal counsel and applicable taxes thereon (to a maximum of $99,000 (plus HST) payable by the issuance of 2,240,000 Offered Units to the Agents' Canadian legal counsel). The Agents' expenses will be netted out of the gross proceeds of the Offering.

Section 17 All Terms to be Conditions

(1) The Company agrees that the conditions contained in this Agreement will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and each of the Company and the Agents will use its respective commercially reasonable efforts to cause all such conditions to be complied with. It is understood that the Agents may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agents in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agents any such waiver or extension must be in writing.

Section 18 Termination by Agents in Certain Events

(1) Each Agent shall also be entitled to terminate and cancel, without any liability on the part of such Agent or on the part of the other Agents and the Purchasers, all of its obligation (and those of any Purchasers arranged by it) under this Agreement, by written notice to that effect given to the Company at or prior to the Closing Time if:

(a) *market out* - the state of the financial markets in Canada, the United States or elsewhere where it is planned to market the Offered Units is such that in the reasonable opinion of the Agents (or any one of them), the Offered Units cannot be marketed profitably;

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

(c) *disaster out* - there should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism or accident) or major financial, political or economic occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of the Agents (or any one of them) seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole or the market price or value of the Offered Units or other securities of the Company;

(d) *restrictions on distribution* – any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Company or any one of the officers or directors of the Company or any of its principal shareholders where wrongdoing is alleged, or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the TSX or Securities Commission, which involves a finding of wrongdoing, which in the reasonable opinion of the Agents (or any one of them), operates to prevent, restrict or otherwise materially adversely affect the distribution or trading of the Offered Units or any other securities of the Company;

(e) *adverse order* - any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Offered Units or any other securities of the Company is made or threatened by a securities regulatory authority; or

(f) *breach* - the Company is in breach of any material term, condition or covenant of this Agreement or any material representation or warranty given by the Company in this Agreement becomes or is false and the Agents (or any one of them) reasonably expect such breach will not be remedied prior to the Closing Time.

(2) If this Agreement is terminated by any of the Agents pursuant to Section 18(1), there shall be no further liability on the part of such Agent or of the Company to such Agent, except in respect of any liability which may have arisen or may thereafter arise under Section 13, Section 14 and Section 16.

(3) The right of the Agents or any of them to terminate their respective obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Company in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Agent under this Section 18 shall not be binding upon the other Agents.

Section 19 Syndication of the Agents

(1) Subject to the terms and conditions hereof, the obligation of the Agents hereunder shall be several and neither joint nor joint and several. The sale of the Offered Units by the Agents in connection with the Offering shall be in accordance with the following percentages:

Haywood Securities Inc.	65%
Canaccord Genuity Corp.	25%
Eight Capital	10%

(2) If any of the Agents shall not complete the sale of its applicable percentage of the aggregate amount of the Offered Units at the Closing Time for any reason whatsoever,

including by reason of Sections 17 or 18, the other Agents shall have the right, but shall not be obligated, to sell the Offered Units which would otherwise have been sold by the Agent which fails to sell such Offered Units.

Section 20 Notices

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

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

Spectra7 Microsystems Inc.
181 Bay Street - Suite 1800
Toronto, Ontario M5J 2T9

Attention: Raouf Halim, Chief Executive Officer
Email: raouf.halim@spectra7.com

with a copy to (which will not constitute delivery):

Aird & Berlis LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Attention: Richard Kimel
Email: rkimel@airdberlis.com

(b) in the case of the Agents, to the Lead Agent (on behalf of the Agents) at:

Haywood Securities Inc.
Brookfield Place
181 Bay Street, Suite 2910
P.O. Box 808
Toronto ON M5J 2T3

Attention: Lawrence Rhee
Email: lrhee@haywood.com

with a copy to (which will not constitute delivery):

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Attention: Greg Hogan
Email: ghogan@casselsbrock.com

or to such other address as any of the parties may designate by notice given to the others.

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

Section 21 Miscellaneous

(1) *Actions of Agents*. Except with respect to Section 13, Section 18 and Section 19, all transactions and notices on behalf of the Agents hereunder or contemplated hereby may be carried out or given on behalf of the Agents by the Lead Agent, as the case may be, and the Agents shall in good faith discuss with each other the nature of any such transactions and notices prior to giving effect thereto or the delivery thereof, as the case may be.

(2) *Successors and Assigns*. This Agreement shall enure to the benefit of, and shall be binding upon, the Agents and the Company and their respective successors and legal representatives, and except as may be provided herein, shall not be assignable by any party without the written consent of the others.

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

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

(5) *Interpretation*. The words, “hereunder”, “hereof” and similar phrases mean and refer to the Agreement.

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

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

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

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

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

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

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

(12) *No Fiduciary Duty*. The Company acknowledges that in connection with the Offering, each of the Agents: (i) have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) owe the Company only those duties and obligations set forth in this Agreement, and (iii) may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Agents arising from an alleged breach of fiduciary duty in connection with the Offering.

(13) *Other Business*. The Company acknowledges that each Agent and certain of their affiliates: (i) act as an investment fund manager and a trader of, and dealer in, securities both as principal and on behalf of its clients (including managed accounts and investment funds) and, as such, may in the future have, long or short positions in the securities of the Company or related entities and, from time to time, may have executed or may execute transactions on behalf of such Persons; (ii) may provide research or investment advice or portfolio management services to clients on investment matters, including the Company; (iii) may participate in securities transactions on a proprietary basis, including transactions in the Offering or other securities of the Company or related entities; and (iv) nothing herein shall restrict their ability to conduct business in the ordinary course and in compliance with applicable laws.

(14) *Entire Agreement*. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings in respect of the Offering, including the engagement letter between the Lead Agent and the Company dated June 3, 2019. This Agreement may be amended or modified in any respect by written instrument only.

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

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

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Yours very truly,

HAYWOOD SECURITIES INC.

By: (signed) *"Lawrence Rhee"*
Name: Lawrence Rhee
Title: Managing Director,

CANACCORD GENUITY CORP.

By: (signed) *"Michael Kogan"*
Name: Michael Kogan
Title: Managing Director

EIGHT CAPITAL

By: (signed) *"Eyal Ofir"*
Name: Eyal Ofir
Title: Managing Director

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

SPECTRA7 MICROSYSTEMS INC.

By: (signed) *"Raouf Halim"*
Raouf Halim
Chief Executive Officer

SCHEDULE "A"

SUBSIDIARIES

This is Schedule "A" to the agency agreement dated as of August 9, 2019 among Spectra7 Microsystems Inc., Haywood Securities Inc., Canaccord Genuity Corp. and Eight Capital.

Name of Subsidiary	Jurisdiction	Authorized and Issued Capital	Ownership Information
Spectra7 Microsystems Corp.	Ontario	Authorized **(Issued)** – Unlimited number of common shares **(5,602,084)**, unlimited number of special shares **(6,429,084)**, unlimited number of class A convertible preferred shares **(17,625,280)**, unlimited number of class B convertible preferred shares **(28,934,220)** and unlimited number of class B convertible preferred shares **(12,322,521)**.	100% held by Spectra7 Microsystems Inc.
Spectra7 Microsystems Ltd.	Delaware	Authorized and issued - 100 shares of Common Stock, par value $0.001 per share	100% held by Spectra7 Microsystems Corp.
Spectra7 Microsystems (Ireland) Limited	Ireland	Authorized – €4,525,000 divided into 452,500,000 ordinary shares of €0.001 each, of which 11,021,705 are issued.	100% held by Spectra7 Microsystems Inc.
Si Bae Ke Te (Dongguan) Electronics Trading Co. Ltd.	China	USD$20,000 in registered capital	100% held by Spectra7 Microsystems Corp.

SCHEDULE "B"

EXISTING RIGHTS

This is Schedule "B" to the agency agreement dated as of August 9, 2019 among Spectra7 Microsystems Inc., Haywood Securities Inc., Canaccord Genuity Corp. and Eight Capital.

Type of Security	Number/Amount Outstanding
Stock Options	2,373,350
Restricted Share Units	21,809,970
Warrants	54,762,244 (1)
Compensation Options	5,007,188 (2)
Convertible Debentures	$10,066.476 aggregate principal amount as at June 30, 2019(3)

Notes:

(1) Of which (a) 22,182,975 are exercisable into one Common Share at a price of $0.50 per share until January 9, 2021, (b) 2,205,000 are exercisable into one Common Share at a price of $0.30 per share until February 24, 2022, (c) 14,168,145 of which are exercisable into one Common Share at a price of $0.1575 until July 9, 2023 (subject to acceleration in certain circumstances), and (d) 16,206,114 of which are exercisable into one Common Share at a price of $0.225 per share until October 30, 2023 (subject to acceleration in certain circumstances).

(2) Of which (a) 3,063,000 are exercisable into one Common Share at a price of $0.35 per share until January 9, 2020, (b) 497,137 are exercisable into one Common Share at a price of $0.1575 until July 6, 2023 (subject to acceleration in certain circumstances), and (c) 1,447,051 are exercisable into one Common Share at a price of $0.225 until October 30, 2023 (subject to acceleration in certain circumstances).

(3) Convertible at the option of the holder at any time prior to the close of business on the last business day immediately preceding January 9, 2021 at a conversion price of $0.35 per share, subject to adjustment upon certain customary events.

SCHEDULE "C"

FORM OF LOCK-UP AGREEMENT

This is Schedule "C" to the agency agreement dated as of August 9, 2019 among Spectra7 Microsystems Inc., Haywood Securities Inc., Canaccord Genuity Corp. and Eight Capital

_____, 2019

Haywood Securities Inc.
181 Bay Street, Suite 2910
P.O. Box 808
Toronto, ON M5J 2T3

- and -

Spectra7 Microsystems Inc.
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Ladies and Gentlemen:

The undersigned director or officer of Spectra7 Microsystems Inc. (the "**Company**"), understands that an agency agreement ("**Agency Agreement**") has been executed and delivered by the Company and Haywood Securities Inc, Canaccord Genuity Corp. and Eight Capital (the "**Agents**"), whereby the Company agreed to offer units of the Company for sale on an agency basis (the "**Offering**"). The execution and delivery by the undersigned of this agreement ("**Lock-Up Letter Agreement**") is a condition to the closing of the Offering.

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees not (and shall cause its affiliates not) to, directly or indirectly, offer, sell, contract to sell, lend, swap or enter into any other agreement to transfer the economic consequences of, other otherwise dispose of or deal with, or publicly announce any intention to offer, sell, grant or sell any option to purchase, make any short sale, hypothecate, pledge, transfer, assign, purchase any option to contract to sell, lend, swap or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any securities of the Company held by the undersigned, directly or indirectly (the "**Locked-Up Securities**"), without, in each case, the prior written consent of the Agents, which will not be unreasonably withheld or delayed, until 90 days after the date of the closing of the Offering (the "**Lock-Up Period**").

Notwithstanding anything to the contrary contained in this Lock-Up Letter Agreement, during the Lock-Up Period, the undersigned may, without the consent of the Agents: (i) transfer, sell or tender any or all of the Locked-Up Securities pursuant to a take-over bid (as defined in the *Securities Act* (Ontario)) or any other transaction, including, without limitation, a merger, arrangement or amalgamation, involving a change of control of the Company (provided that all Locked-Up Securities not transferred, sold or tendered remain subject to this undertaking) and provided further that it shall be a condition of transfer that if such take-over bid or other transaction is not completed, any Locked-Up Securities subject to this undertaking shall remain subject to the restrictions in this Lock-Up Letter Agreement; (ii) transfer any or all of the Locked-Up Securities to any nominee or custodian where there is no change in beneficial ownership, (iii) transfer any or all of the Locked-Up Securities (e.g. sales and buy backs) for fiscal tax planning and using related tax shelter vehicles (e.g. TFSA, RRSP); (iv) receive a grant of or exercise stock options pursuant to the terms of the Company's stock option plan; (v) receive an award of or settle restricted share units pursuant to the terms of the Company's restricted share unit plan, or (vi) exercise previously issued common share purchase warrants.

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

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

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

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

Yours very truly,

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