

ADCORE INC.
TERMS OF OFFERING
MARKETED – PROSPECTUS SUPPLEMENT
NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

June 9, 2021

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment, and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision. Copies of the final base shelf prospectus, and any applicable shelf prospectus supplement, may be obtained from Canaccord Genuity Corp at ecm@canaccordgenuity.com and are also available electronically at www.sedar.com.

The securities offered under the final base shelf prospectus and the applicable shelf prospectus supplement have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the “United States”), and may not be offered or sold within the United States, or to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the U.S. Securities Act) or a person in the United States, except in transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws.

Offering: Marketed treasury offering of ● units (the “Units”) of the Company (● Units assuming the Over-Allotment Option (as defined below) is exercised in full) (the “Offering”).

Offering Price: C\$● per Unit (the “Offering Price”).

Units: Each Unit shall consist of one common share (a “Common Share”) and one-half of one common share purchase warrant (each whole such warrant, a “Warrant”). Each Warrant shall be exercisable to acquire one common share of the Company (a “Warrant Share”) for a period of 24 months from the Closing Date (as defined below) at an exercise price of C\$●, subject to adjustment in certain events.

Amount: C\$● million (C\$● million if the Over-Allotment Option is exercised in full).

Over-Allotment Option: The Company has granted the Underwriters (as defined below) an option (the “Over-Allotment Option”), to purchase at the Offering Price up to such number of additional Units, Common Shares, and Warrants as is equal to 15% of the Units initially sold pursuant to the Offering for a period of 30 days after and including the initial Closing Date. The Over-Allotment Option is exercisable to acquire Units, Common Shares, and/or Warrants, or any combination thereof, at the discretion of the Underwriters, to cover over-allotments, if any, and for market stabilization purposes.

Offering Basis: The Units are to be offered in all provinces and territories of Canada, except Quebec, and will be issued under a Prospectus Supplement. The Units may be offered and sold in the United States or to, or for the account

or benefit of, persons in the United States or U.S. persons by way of a private placement by the Underwriters through their duly registered U.S. registered broker-dealer affiliates: (i) on behalf of the Company on a substituted-purchaser basis to “accredited investors” meeting one or more of the criteria in Rule 501(a) of Regulation D (“Regulation D”) under the U.S. Securities Act pursuant to Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and similar exemptions under applicable state securities laws, or (ii) to “qualified institutional buyers” as defined in and pursuant to Rule 144A under the U.S. Securities Act and in accordance with applicable state securities laws.

- Listing:** The Company shall use its commercially reasonable efforts to obtain the necessary approvals to list the Common Shares, the Warrants and the Warrant Shares on the Toronto Stock Exchange, which listings shall be conditionally approved prior to the filing of the Prospectus Supplement, subject to standard listing conditions.
- Use of Proceeds:** For sales and marketing, research and development, and general corporate purposes.
- Form of Offering:** Underwritten, fully marketed basis.
- Eligibility:** The Common Shares, Warrants and Warrant Shares will be qualified investments under the Income Tax Act (Canada) for RRSPs, RESPs, RRIFs, DPSPs, RDSPs and TFSAs.
- Commission:** (i) 7% cash fee on the aggregate gross proceeds of the Offering (reduced to 3.5% on the portion of the Offering made available to purchasers on a president’s list), and (ii) an number of compensation warrants (each, a “Compensation Warrant”) equal to up to 7% of the aggregate number of Units issued pursuant to the Offering (reduced to 3.5% on the portion of the Offering made available to purchasers on a president’s list). Each Compensation Warrant will be exercisable to acquire one common share of the Company at an exercise price equal to the Offering Price for a period of 24 months from the Closing Date (as defined below), subject to adjustment in certain events.
- Underwriters:** Canaccord Genuity Corp. (“CGC”) shall act as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters to be named (together with CGC, the “Underwriters”).
- Closing Date:** On or about June 16, 2021 (the “Closing Date”).