

## UNDERWRITING AGREEMENT

March 2, 2021

Harvest One Cannabis Inc.  
999 Canada Place, Suite 504  
Vancouver, British Columbia  
V6C 3E1

**Attention: Gord Davey, President, Chief Executive Officer**

Dear Sir:

Based upon and subject to the terms and conditions set out in this agreement (the “**Agreement**”), Mackie Research Capital Corporation, as co-lead underwriter and sole bookrunner (“**MRCC**”), and ATB Capital Markets Inc., as co-lead underwriter (together, the “**Underwriters**”) hereby severally (and not jointly or jointly and severally) offer to purchase as principal for resale, on a “bought deal” basis, from Harvest One Cannabis Inc. (the “**Corporation**”), and the Corporation hereby agrees to sell to the Underwriters an aggregate of 32,258,000 units of the Corporation (the “**Purchased Units**”) at a price of \$0.155 per Purchased Unit (the “**Issue Price**”) for aggregate gross proceeds to the Corporation of \$4,999,990.

Each Purchased Unit will be comprised of one common share in the capital of the Corporation (a “**Unit Share**”) and one common share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one additional common share in the capital of the Corporation (a “**Warrant Share**”) at a price of \$0.195 per share at any time prior to 5:00 p.m. (Toronto time) on the date which is thirty-six (36) months from the Closing Date (as hereinafter defined), subject to adjustment in certain circumstances. The Warrants shall be duly and validly created and issued pursuant to, and governed by, a warrant indenture (the “**Warrant Indenture**”) to be entered into between the warrant agent appointed thereunder (the “**Warrant Agent**”), in its capacity as warrant agent thereunder, and the Corporation to be dated as of the Closing Date. To the extent there is any inconsistency between the description of the terms of the Warrants contained in this Agreement and the Warrant Indenture, the terms set forth in the Warrant Indenture shall govern.

In addition, the Corporation hereby grants to the Underwriters an option (the “**Over-Allotment Option**”) to purchase up to an additional 4,838,700 units of the Corporation (the “**Additional Units**”), representing 15% of the number of Purchased Units, at the Issue Price for market stabilization purposes and for the purposes of covering the Underwriters’ over-allocation position, for additional gross proceeds to the Corporation of up to \$749,998.50. The Over-Allotment Option may be exercisable by the Underwriters in respect of: (i) Additional Units at the Issue Price; or (ii) additional common shares in the capital of the Corporation (the “**Additional Shares**”) at a price of \$0.134 per Additional Share; or (iii) additional warrants (the “**Additional Warrants**”), and together with the Additional Units and the Additional Shares, the “**Additional Securities**”) at a price of \$0.021 per Additional Warrant; or (iv) any combination of Additional Shares and/or Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 4,838,700 Additional Shares and 4,838,700 Additional Warrants. In the event that the Over-Allotment Option is exercised, any Additional Securities issued thereunder shall be deemed to form part of the Offering (as defined herein) for the purposes hereof and all of the terms and conditions relating to the Closing (as defined herein) shall apply to the Over-Allotment closing. The Over-Allotment Option is exercisable in whole or in part, at the sole discretion of the Underwriters, for a period of thirty (30) days following the Closing Date as more particularly described in Section 12 hereof. The Purchased Units and the Additional Securities are

collectively referred to herein as the “**Offered Securities**”. The offer and sale of the Offered Securities is referred to herein as the “**Offering**”.

The Offered Securities may be distributed in each of the provinces of Canada except Québec (the “**Qualifying Provinces**”) by the Underwriters pursuant to the Final Prospectus (as hereinafter defined) and subject to Applicable Laws (as hereinafter defined) and the terms of this Agreement, the Offered Securities may also be distributed outside Canada where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdictions.

In consideration of the Underwriters’ services to be rendered in connection with the Offering, the Corporation shall pay to the Underwriters a cash fee (the “**Underwriting Fee**”) equal to 7.0% of the gross proceeds of the Offering. As additional compensation for the services to be rendered in connection with the Offering, the Corporation shall grant to the Underwriters non-transferable compensation options (the “**Compensation Options**”) equal to 7.0% of the number of Purchased Units issued pursuant to the Offering (including any Additional Units). Each Compensation Option will entitle the holder thereof to acquire one unit of the Corporation (a “**Compensation Option Unit**”) comprised of one common share of the Corporation (a “**Compensation Option Share**”) and one common share purchase warrant (a “**Compensation Option Warrant**”) at a price of \$0.155 per Compensation Unit at any time prior to 5:00 p.m. (Toronto time) on the date which is thirty-six (36) months following the Closing Date, subject to adjustment in certain circumstances. Each Compensation Warrant will entitle the holder thereof to acquire one common share of the Corporation (a “**Compensation Option Warrant Share**”) on the same terms as the Warrants and shall be issued pursuant to the Warrant Indenture. The Compensation Options will be evidenced by certificates (“**Compensation Option Certificates**”).

### **Terms and Conditions**

The following are additional terms and conditions of this Agreement between the Corporation and the Underwriters:

#### **1. Interpretation.**

- (a) **Definitions.** Where used in this Agreement or in any amendment hereto, the following terms shall have the following meanings, respectively:

“**Additional Securities**” has the meaning ascribed thereto on the first page hereof;

“**Additional Shares**” has the meaning ascribed thereto on the first page hereof;

“**Additional Units**” has the meaning ascribed thereto on the first page hereof;

“**Additional Warrants**” has the meaning ascribed thereto on the first page hereof;

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

“**Agreement**” has the meaning ascribed thereto on the face page hereof;

“**Applicable Laws**” has the meaning ascribed thereto in subsection 9(j) hereof;

“**Assets and Properties**” with respect to any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, tangible or intangible, choate or inchoate, absolute, accrued, contingent, fixed or otherwise, and, in each case, wherever situated),

including the goodwill related thereto, operated, owned or leased by or in the possession of such Person and, for greater certainty, with respect to the Corporation and the Subsidiaries;

**“Authorizations”** has the meaning ascribed thereto in subsection 9(iii)(j) hereof;

**“Beneficiaries”** has the meaning ascribed thereto in subsection 18(c) hereof;

**“Business”** means the business of being a cannabis consumer packaged goods corporation focused on developing and distributing premium health, wellness and selfcare products with a market focus on sleep, pain, and anxiety, including cannabis-infused and non-infused consumer packaged goods;

**“Business Day”** means any day, other than a Saturday or Sunday, on which the chartered banks in Toronto, Ontario, are open for commercial banking business during normal banking hours;

**“Canadian Securities Regulators”** means, collectively, the Securities Regulators in the Qualifying Provinces;

**“CDS”** means CDS Clearing and Depository Services Inc.;

**“Claims”** has the meaning ascribed thereto in subsection 18(a) hereof;

**“Closing”** means the completion of the issue and sale of the Purchased Units and, if applicable, any Additional Securities issued and sold pursuant to the exercise of the Over-Allotment Option;

**“Closing Date”** means on or about March 17, 2021 or any earlier or later date as may be agreed to by the Corporation and the Underwriters, 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 the Corporation and the Underwriters may agree;

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

**“Compensation Option Certificates”** has the meaning ascribed thereto on the second page hereof;

**“Compensation Option Share”** has the meaning ascribed thereto on the second page hereof;

**“Compensation Option Unit”** has the meaning ascribed thereto on the second page hereof;

**“Compensation Option Warrant”** has the meaning ascribed thereto on the second page hereof;

**“Compensation Option Warrant Share”** has the meaning ascribed thereto on the second page hereof;

**“Compensation Options”** has the meaning ascribed thereto on the second page hereof;

**“Contracts”** means all agreements, contracts or commitments of any nature, written or oral, including, for greater certainty and without limitation, leases, loan documents and security documents;

**“Corporation”** has the meaning ascribed thereto on the face page hereof;

**“Corporation’s Auditors”** means Davidson & Company LLP, Chartered Professional Accountants, or such other firm of chartered accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation;

**“Documents Incorporated by Reference”** means all financial statements, management information circulars, annual information forms, material change reports, business acquisition reports or other documents filed by the Corporation, whether before or after the date of this Agreement, that are required by applicable Securities Laws of the Qualifying Provinces to be incorporated by reference into the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, and all Marketing Materials;

**“Engagement Letter”** means the letter agreement dated February 24, 2021 between MRCC and the Corporation, as amended by a letter agreement dated February 25, 2021, in respect of the Offering;

**“Environmental Laws”** means any applicable federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, legally binding policy or rule of common law or civil law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

**“Environmental Permits”** includes all orders, permits, certificates, approvals, consents, registrations and licenses issued by any authority of competent jurisdiction under any Environmental Law;

**“Final Prospectus”** means the (final) short form prospectus, including all of the Documents Incorporated by Reference, relating to the distribution of the Offered Securities and for which a receipt has been issued by the Principal Regulator on its own behalf and on behalf of each of the other Canadian Securities Regulators pursuant to the Passport System and NP 11-202;

**“Financial Information”** means, collectively, the financial and accounting information relating to the Corporation and incorporated by reference into the Preliminary Prospectus, the Final Prospectus and any Supplementary Material, including the Financial Statements, and the accompanying management’s discussion and analysis;

**“Financial Statements”** means, collectively, the financial statements of the Corporation and the Subsidiaries included in the Documents Incorporated by Reference, including the notes thereto together with any report thereon prepared by the Corporation’s Auditors as at and for the periods included therein;

**“Governmental Authority”** means any governmental authority and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

**“Hazardous Materials”** has the meaning ascribed thereto in subsection 9(iii)(rr) hereof;

**“IFRS”** means International Financial Reporting Standards applicable as at the date on which date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;

**“Indebtedness”** means all indebtedness for borrowed money or for the deferred purchase price of property or services (including any guarantees in respect of the foregoing, reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers’ acceptances, whether or not matured);

**“Indemnified Party”** has the meaning ascribed thereto in subsection 18(a) hereof;

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

**“Issue Price”** has the meaning ascribed thereto on the face page hereof;

**“Laws”** means the Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or license, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

**“Lien”** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

**“Lock-Up Agreements”** has the meaning ascribed thereto in subsection 8(x) hereof;

**“Losses”** has the meaning ascribed thereto in subsection 18(a) hereof;

**“Marketing Materials”** has the meaning ascribed thereto in NI 41-101;

**“Material Adverse Effect”** means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy, circumstance, development or effect that is materially adverse to the business, assets (including intangible assets), capitalization, liabilities (contingent or otherwise), condition (financial or otherwise), prospects or results of operations of the Corporation and the Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business;

**“Material Subsidiaries”** means the Corporation’s material subsidiaries, being Dream Products Inc., Sarpes Beverages, LLC, and Delivra Corp.;

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

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

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

“**notice**” has the meaning ascribed thereto in Section 21 hereof;

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

“**Offered Securities**” has the meaning ascribed thereto on the second page hereof;

“**Offering**” has the meaning ascribed thereto on the second page hereof;

“**Offering Documents**” means, collectively, the Preliminary Prospectus, the Final Prospectus and any Supplementary Material;

“**Over-Allotment Notice**” has the meaning ascribed thereto in subsection 12(a) hereof;

“**Over-Allotment Option**” has the meaning ascribed thereto on the second page hereof;

“**Passport System**” means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102 – *Passport System* adopted by the Canadian Securities Regulators (other than the Ontario Securities Commission);

“**Permitted Encumbrances**” means: (i) any validly perfected security interest given by the Corporation in respect of any indebtedness of the Corporation; (ii) any other security given by the Corporation in connection with the operation of the Business; (iii) Liens against the Corporation or its assets for taxes, assessments or governmental charges or levies not due and delinquent; (iv) undetermined or inchoate Liens and charges incidental to the current operations of the Corporation which have not been filed pursuant to law or which relate to obligations not due or delinquent; and (v) those otherwise disclosed to the Underwriters in writing or disclosed in the Offering Documents;

“**Person**” shall be broadly interpreted and shall include any individual, corporation, partnership, joint venture, firm, association, trust or other legal entity;

“**Preliminary Prospectus**” means the preliminary short form prospectus of the Corporation dated March 3, 2021 including all of the Documents Incorporated by Reference, prepared by the Corporation and relating to the distribution of the Offered Securities and for which a receipt has been issued by the Principal Regulator on its own behalf and on behalf of each of the other Canadian Securities Regulators pursuant to the Passport System and NP 11-202;

“**Premises**” has the meaning ascribed thereto in subsection (iii)(qq) hereof;

“**Principal Regulator**” means the British Columbia Securities Commission as principal regulator of the Corporation under the Passport System and NP 11-202;

“**Purchased Units**” has the meaning ascribed thereto on the face page hereof;

“**Purchasers**” means, collectively, each of the purchasers of the Offered Securities pursuant to the Offering including, if applicable, the Underwriters;

“**Qualifying Provinces**” has the meaning ascribed thereto on the second page hereof;

“**SEC**” means the United States Securities and Exchange Commission;

**“Securities Laws”** means, unless the context otherwise requires, all applicable securities laws in each of the Qualifying Provinces and the applicable securities laws of all other jurisdictions other than the Qualifying Provinces in which the Offered Securities are offered, as applicable, and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

**“Securities Regulators”** means, collectively, the securities regulators or other securities regulatory authorities in the Qualifying Provinces and any other jurisdictions in which the Offered Securities are offered or sold, as the case may be;

**“Selling Firm”** has the meaning ascribed thereto in subsection 3(c) hereof;

**“Standard Listing Conditions”** has the meaning ascribed thereto in subsection 5(a)(iv) hereof;

**“Subsequent Disclosure Documents”** means any financial statements, management information circulars, annual information forms, material change reports, business acquisition reports, or other documents filed by the Corporation after the date of this Agreement that are required by applicable Securities Laws to be incorporated by reference in the Preliminary Prospectus or Final Prospectus;

**“Subsidiaries”** means the Corporation’s material subsidiaries, being the Material Subsidiaries, Dream Products USA Inc., Satipharm Ltd., Satipharm AG, Satipharm Australia, Satipharm Australia PTY Ltd., Satipharm Europe Ltd., Satipharm Canada Ltd. and Phytotech Therapeutics Ltd., and **“Subsidiary”** means any one of them;

**“subsidiary”** has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) unless otherwise defined herein;

**“Substituted Purchasers”** has the meaning ascribed thereto in subsection 3(b) hereof;

**“Supplementary Material”** means, collectively, any amendment to the Preliminary Prospectus, the Final Prospectus, any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under the Securities Laws relating to the distribution of the Offered Securities thereunder;

**“Taxes”** has the meaning ascribed thereto in subsection (iii)(aa) hereof;

**“Transaction Documents”** means, collectively, this Agreement, the Warrant Indenture and the Compensation Option Certificates;

**“TSXV”** means the TSX Venture Exchange;

**“Underlying Shares”** means, collectively, the Unit Shares (including Additional Shares issued upon exercise of the Over-Allotment Option), the Warrant Shares, the Compensation Option Shares and the Compensation Option Warrant Shares;

**“Underwriters”** has the meaning ascribed thereto on the face page hereof;

**“Underwriting Fee”** has the meaning ascribed thereto on the second page hereof;

**“Unit Share”** has the meaning ascribed thereto on the face page hereof;

“**United States**” means the “United States” as defined in Regulation S under the U.S. Securities Act;

“**U.S. Person**” has the meaning ascribed thereto in Rule 902(k) of Regulation S;

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

“**Warrant**” has the meaning ascribed thereto on the face page hereof;

“**Warrant Agent**” has the meaning ascribed thereto on the face page hereof;

“**Warrant Indenture**” has the meaning ascribed thereto on the face page hereof; and

“**Warrant Share**” has the meaning ascribed thereto on the face page hereof.

- (b) **Divisions and Headings.** The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement.
- (c) **Number and Gender.** 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.
- (d) **Currency.** Any reference in this Agreement to \$ or to dollars shall refer to the lawful currency of Canada, unless otherwise specified.
- (e) **Knowledge.** In this Agreement, a reference to “knowledge” of the Corporation means, unless expressly stated, a statement as to the actual knowledge of each of Gord Davey, Chief Executive Officer of the Corporation, and Jack Tasse, Chief Financial Officer of the Corporation, after having made reasonable inquiries and investigations in connection with such facts and circumstances.

## 2. Attributes of the Offered Securities.

The Offered Securities to be issued and sold by the Corporation hereunder shall be duly and validly created and issued by the Corporation and, when issued by the Corporation, such Offered 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.

## 3. The Offering.

- (a) Each Purchaser resident in a Qualifying Province shall purchase the Offered Securities pursuant to the Final Prospectus. The Corporation hereby agrees to secure compliance with all Securities Laws of the Qualifying Provinces on a timely basis in connection with the distribution of the Offered Securities. The Underwriters agree to assist the Corporation in all reasonable respects to secure compliance with all regulatory requirements in connection with the Offering.
- (b) The Corporation understands that although this Agreement is presented on behalf of the Underwriters as principal purchaser, the Underwriters may arrange for substituted purchasers (the “**Substituted Purchasers**”) for the Offered Securities. It is further understood that the Underwriters

agrees to purchase or cause to be purchased the Purchased Units and if the Over-Allotment Option is exercised, the Additional Securities, as applicable, being issued by the Corporation and that this commitment is not subject to the Underwriters being able to arrange Substituted Purchasers. Each Substituted Purchaser shall purchase Offered Securities at the Issue Price, and to the extent that Substituted Purchasers purchase Offered Securities, the obligations of the Underwriters to do so will be reduced by the number of Offered Securities purchased by the Substituted Purchasers from the Corporation (but shall not relieve the Underwriters from paying to the Corporation the Issue Price per Offered Security purchased by such Substituted Purchasers). Any reference in this Agreement hereafter to "Purchasers" shall be taken to be a reference to the Underwriters, as the initial committed purchasers, and to the Substituted Purchasers, if any.

- (c) The Corporation agrees that the Underwriters shall have the right to invite one or more duly qualified investment dealers (each, a "**Selling Firm**") to form a selling group to participate in the soliciting of offers to purchase the Offered Securities. The Underwriters have the exclusive right to control all compensation arrangements between the members of the selling group, such compensation to be payable by the Underwriters. The Underwriters shall ensure that any Selling Firm appointed pursuant to the provisions of this subsection 3(c) or with whom the Underwriters has a contractual relationship with respect to the Offering, if any, agrees with the Underwriters to comply with the covenants and obligations given by the Underwriters herein or to which the Underwriters is subject.
- (d) The Corporation represents and warrants to, and covenants and agrees with, the Underwriters that the Corporation has prepared and will promptly, after the execution and delivery of this Agreement, file the Preliminary Prospectus and other related documents relating to the proposed distribution in the Qualifying Provinces of the Offered Securities in accordance with the Securities Laws and the Corporation shall obtain a receipt for the Preliminary Prospectus from the Principal Regulator on its own behalf and on behalf of the other Canadian Securities Regulators pursuant to the Passport System and NP 11-202 by no later than 5:00 p.m. (Toronto time) on March 2, 2021.
- (e) The Corporation shall use its commercially reasonable efforts to resolve all comments received of, or deficiencies raised by, the Canadian Securities Regulators with respect to the Preliminary Prospectus as soon as possible after receipt of such comments. The Corporation shall have prepared and filed the Final Prospectus and other related documents relating to the proposed distribution of the Offered Securities in the Qualifying Provinces in accordance with the Securities Laws and the Corporation shall obtain a receipt for the Final Prospectus from the Principal Regulator on its own behalf and on behalf of the other Canadian Securities Regulators pursuant to the Passport System and NP 11-202 by 5:00 pm (Toronto time) on March 12, 2021 (or such other time and/or later date as the Corporation and the Underwriters may agree, each acting reasonably).
- (f) Until the earlier of the date on which: (i) the distribution of the Offered Securities is completed; or (ii) the Underwriters has exercised its termination rights pursuant to Sections 14 and 15, the Corporation shall use its commercially reasonable efforts to promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under the Securities Laws to continue to qualify the distribution of the Offered Securities or, in the event that the Offered Securities have, for any reason, ceased to qualify, to so qualify again the Offered Securities, as applicable, for distribution in the Qualifying Provinces. The Underwriters shall, upon the Corporation obtaining a receipt for the Final Prospectus from or on behalf of each of the Canadian Securities Regulators, and upon receiving sufficient copies of the Final Prospectus from the Corporation in accordance with subsection 5(d)(ii), deliver one copy of the Final Prospectus (together with any amendments thereto) to all persons resident in the Qualifying Provinces who are to acquire the Offered Securities.
- (g) Prior to the filing of the Preliminary Prospectus, the filing of the Final Prospectus and the Closing, the Corporation shall have permitted the Underwriters to review each of the Preliminary Prospectus

and the Final Prospectus and shall allow the Underwriters to conduct any due diligence investigations which it may reasonably require in order to fulfill its obligations as Underwriters under applicable Securities Laws and in order to enable the Underwriters to responsibly execute the certificate in the Preliminary Prospectus and the Final Prospectus required to be executed by them. Unless so advised otherwise, the Underwriters will be entitled to rely on the advice or absence of advice, as the case may be, of the Corporation in the course of its due diligence investigations.

- (h) In carrying out its responsibilities under this Agreement, the Underwriters will necessarily rely on information prepared or supplied by the Corporation. The Underwriters will apply reasonable standards of diligence to their due diligence inquiries. However, the Underwriters will be entitled to reasonably rely on and assume no obligation to verify the accuracy or completeness of such information and under no circumstances will the Underwriters be liable to the Corporation or any securityholder for any damages arising out of the inaccuracy or incompleteness of such information. The Corporation maintains sole responsibility for the accuracy and completeness of the Offering Documents, all Documents Incorporated by Reference, and any other disclosure document to be prepared in connection with the Offering, except any portions thereof that are provided by the Underwriters.

#### **4. Distribution and Certain Obligations of the Underwriters.**

- (a) The Underwriters shall, and shall require any Selling Firm to agree to, comply with the Securities Laws in connection with the distribution of the Offered Securities and shall offer the Offered Securities for sale to the public in the Qualifying Provinces directly, and through Selling Firms upon the terms and conditions set out in the Offering Documents and this Agreement. The Underwriters shall, and shall require any Selling Firm to, offer for sale to the public and sell the Offered Securities only in those jurisdictions where they may be lawfully offered for sale or sold. The Underwriters shall: (i) use all commercially reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Offered Securities as soon as reasonably practicable; and (ii) within 30 days after completion of the distribution, notify the Corporation when, in their opinion, the Underwriters and the Selling Firms have ceased distribution of the Offered Securities and provide a breakdown of the number of Offered Securities distributed in each of the Qualifying Provinces where such breakdown is required for the purpose of calculating fees payable to the Canadian Securities Regulators.
- (b) The Underwriters shall, and shall require any Selling Firm to agree to, distribute the Offered Securities in a manner which complies with and observes all Applicable Laws in each jurisdiction into and from which they may offer to sell the Offered Securities or distribute the Offering Documents in connection with the distribution of the Offered Securities and will not, directly or indirectly, offer, sell or deliver any Offered Securities or deliver the Offering Documents to any person in any jurisdiction other than the Qualifying Provinces except in a manner which will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar requirements under the applicable securities laws of such other jurisdictions or pay any additional governmental filing fees (other than any filing fees required to comply with state securities or “blue sky” laws in the United States) which relate to such other jurisdictions. Subject to the foregoing, the Underwriters and any Selling Firm shall be entitled to offer and sell the Offered Securities solely pursuant to exemptions under applicable international jurisdictions in accordance with any applicable securities laws and other laws in the jurisdictions in which the Underwriters and/or Selling Firms offer the Offered Securities.
- (c) For the purposes of this Section 4, the Underwriters shall be entitled to assume that the Offered Securities are qualified for distribution in any Qualifying Province where a receipt for the Final Prospectus shall have been obtained from the Principal Regulator issued under the Passport System and NP 11-202 evidencing that a receipt has been issued for the Final Prospectus by or on behalf

of each of the Canadian Securities Regulators following the filing of the Final Prospectus, unless otherwise notified by the Corporation in writing.

- (d) Each Underwriter hereby severally, and not jointly and severally, represents and warrants that: (i) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable Securities Laws so as to permit it to lawfully fulfil its obligations hereunder; and (ii) it has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated under this Agreement on the terms and conditions set forth herein.

## **5. Deliveries on Filing and Related Matters.**

- (a) The Corporation shall deliver to the Underwriters:
  - (i) prior to the time of each filing thereof, a copy of the Preliminary Prospectus and the Final Prospectus in the English language signed and certified by the Corporation as required by applicable Securities Laws in the Qualifying Provinces;
  - (ii) prior to the time of each filing thereof, a copy of any other document required to be filed by the Corporation under applicable Securities Laws of the Qualifying Provinces in connection with the filing of the Final Prospectus;
  - (iii) concurrently with the filing of the Final Prospectus with the Canadian Securities Regulators, a “long-form” comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the directors of the Corporation from the Corporation’s Auditors with respect to the Financial Information contained in the Final Prospectus, within a cut-off date of not more than two (2) Business Days prior to the date of the letter, which letter shall be in addition to the auditors’ reports incorporated by reference in the Final Prospectus and the consent letter of the Corporation’s Auditors addressed to the Canadian Securities Regulators; and
  - (iv) prior to the filing of the Final Prospectus with the Canadian Securities Regulators, copies of correspondence indicating that the application for the listing and posting for trading on the TSXV of the Underlying Shares and Warrants has been approved, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSXV, including meeting the minimum distribution requirements of the TSXV (the “**Standard Listing Conditions**”).
- (b) The Corporation shall also prepare and deliver promptly to the Underwriters signed copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material or the incorporation by reference in the Offering Documents of any Subsequent Disclosure Document, the Corporation shall deliver to the Underwriters, with respect to such Supplementary Material or Subsequent Disclosure Document, a comfort letter or letters, as applicable, substantially similar to that referred to in subsection 5(a)(iii) hereof.
- (c) Delivery of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material by the Corporation shall constitute the representation and warranty of the Corporation to the Underwriters that, as at their respective dates of filing:
  - (i) all information and statements (except information and statements relating solely to the Underwriters and provided in writing by the Underwriters for inclusion in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material) contained and/or

incorporated by reference in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be, 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 Corporation and the Offered Securities as required by applicable Securities Laws in the Qualifying Provinces;

- (ii) no material fact or information has been omitted therefrom (except facts or information relating solely to the Underwriters and not provided in writing by the Underwriters for inclusion in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material) 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
- (iii) except with respect to any information relating solely to the Underwriters and provided in writing by the Underwriters for inclusion in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, such documents comply in all material respects with the requirements of applicable Securities Laws in the Qualifying Provinces.

Such deliveries shall also constitute the Corporation's consent to the Underwriters' use of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material in connection with the distribution of the Offered Securities in compliance with this Agreement, unless otherwise advised in writing.

(d) The Corporation shall:

- (i) cause commercial copies of the Preliminary Prospectus to be delivered to the Underwriters without charge, in such numbers and at such locations in the Qualifying Provinces as the Underwriters may reasonably request by written instructions to the Corporation's financial printer given forthwith after the Underwriters has been advised that the Corporation has complied with the Securities Laws in the Qualifying Provinces with respect to the filing of the Preliminary Prospectus. Such delivery shall be effected as soon as possible and, in any event, on or before a date which is two (2) Business Days after compliance with applicable Securities Laws in the Qualifying Provinces with respect to the filing of the Preliminary Prospectus;
- (ii) cause commercial copies of the Final Prospectus and any Supplementary Material to be delivered to the Underwriters without charge, in such numbers and at such locations in the Qualifying Provinces as the Underwriters may reasonably request by written instructions to the Corporation's financial printer given forthwith after the Underwriters has been advised that the Corporation has complied with the Securities Laws in the Qualifying Provinces with respect to the filing of the Final Prospectus. Such delivery shall be effected as soon as possible and, in any event, on or before a date which is one Business Day after compliance with applicable Securities Laws in the Qualifying Provinces with respect to the filing of the Final Prospectus, and on or before a date which is one (1) Business Day after the Principal Regulator has issued a receipt, on its own behalf and on behalf of the Canadian Securities Regulators, for, or accepted for filing, as the case may be, any Supplementary Material; and
- (iii) cause to be provided to the Underwriters, without charge, such number of copies of any Documents Incorporated by Reference in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material as the Underwriters may reasonably request for use in connection with the distribution of the Offered Securities.

- (e) During the period commencing on the date hereof and until the completion of the distribution of the Offered Securities, the Corporation will promptly provide to the Underwriters drafts of any press releases of the Corporation and the Corporation will agree to the form and content thereof with the Underwriters prior to issuance. In addition, if required by the applicable Securities Laws, any press release announcing or otherwise referring to the Offering disseminated in the United States shall comply with the requirements of Rule 135c under the U.S. Securities Act and any press release announcing or otherwise referring to the Offering disseminated outside the United States shall include an appropriate notation on each page as follows: "Not for distribution to United States newswire services, or dissemination in the United States."
- (f) Prior to the filing of the Final Prospectus with the Canadian Securities Regulators, the Corporation shall file or cause to be filed with the TSXV all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals for the Underlying Shares and Warrants to be conditionally listed on the TSXV, subject only to the Standard Listing Conditions.

## **6. Marketing Materials**

- (a) Until the Closing or termination of this Agreement, the Corporation and the Underwriters will approve in writing (prior to such time that marketing materials are first provided to potential investors) any marketing materials (and amendments thereto) reasonably requested to be provided by the Underwriters to any potential investor of Offered Securities, such marketing materials to comply with Securities Laws. The Underwriters will provide a copy of any marketing materials used in connection with the Offering to the Corporation in accordance with this subsection 6(a) at the latest on or before the day the marketing materials are first provided to any potential investor of Offered Securities. The Corporation will file a template version of such marketing materials with the Canadian Securities Regulators as soon as reasonably practicable after such marketing materials are so approved in writing by the Corporation and the Underwriters, and in any event on or before the day the marketing materials are first provided to any potential investor of Offered Securities, and such filing will constitute the Underwriters' authority to use such marketing materials in connection with the Offering. Any comparables will be redacted from the template version in accordance with NI 44-101 prior to filing such template version with the Canadian Securities Regulators and a complete template version containing such comparables and any disclosure relating to the comparables, if any, will be delivered to the Canadian Securities Regulators by the Corporation.
- (b) The Corporation and each Underwriter (for and on behalf of itself and the other members of the Selling Firms), on a joint basis, covenant and agree:
  - (i) not to provide any potential investor of Offered Securities with any Marketing Materials unless a template version of such Marketing Materials has been filed by the Corporation with the Canadian Securities Regulators on or before the day such Marketing Materials are first provided to any potential investor of Offered Securities;
  - (ii) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Securities or the Corporation other than: (A) Marketing Materials that have been approved and filed in accordance with this Section 6; (B) the Offering Documents; and (C) or any other standard term sheets approved in writing by the Corporation and the Underwriters; and

- (iii) that any Marketing Materials approved and filed in accordance with this Section 6 and any standard term sheets approved in writing by the Corporation and the Underwriters, will only be provided to potential investors in the Qualifying Provinces where the provision of such Marketing Materials or standard term sheets does not contravene Securities Laws of the Qualifying Provinces.
- (c) Each Underwriter (for and on behalf of itself and the other members of the Selling Firms) covenants and agrees to comply with Securities Laws in connection with the provision of Marketing Materials to potential investors, including by sending, as soon as practicable following the filing of the Preliminary Prospectus and Final Prospectus with the Canadian Securities Regulators in each of the Qualifying Provinces, a copy of the Preliminary Prospectus and Final Prospectus to each person that previously received Marketing Materials and expressed an interest in purchasing Offered Securities.

## **7. Material Changes and Undisclosed Material Facts.**

- (a) During the period commencing on the date hereof up until such time as the Underwriters notify the Corporation of the completion of the distribution of the Offered Securities under the Final Prospectus, the Corporation shall promptly inform the Underwriters in writing of the full particulars of:
  - (i) any material change (actual, anticipated, contemplated, threatened, financial or otherwise) in the assets, liabilities (contingent or otherwise), business, affairs, operations, prospects, capital or control of the Corporation and its Subsidiaries taken as a whole, including without limitation any material change in any information provided to the Underwriters concerning the Corporation;
  - (ii) any material fact which has arisen or has been discovered and would have been required to have been stated in the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such documents;
  - (iii) 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 or whether any event or state of facts has occurred after the date hereof, which, in any case, is, or may be, of such a nature as to render any statement in the Offering Documents untrue or misleading in any material respect or which would result in a misrepresentation in the Offering Documents, or which would result in the Offering Documents not complying (to the extent that such compliance is required) with the Securities Laws of any Qualifying Province;
  - (iv) any notice by any governmental, judicial or regulatory authority requesting any information, meeting or hearing relating to the Corporation or the Offering; and
  - (v) any other event or state of affairs of which the Corporation is aware that may be relevant to the Underwriters' due diligence investigation.
- (b) The Corporation shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Underwriters, acting reasonably, with all applicable filings and other requirements under Securities Laws as a result of such material fact or change, including, without limitation, the preparation and filing of any Supplementary Material which may be necessary and will otherwise comply with all legal requirements necessary to continue to qualify the Offered Securities for distribution in each of the Qualifying Provinces.

- (c) In addition to the provisions of subsections 7(a) and 7(b) hereof, the Corporation shall in good faith inform and discuss with the Underwriters any change, event or fact contemplated in subsections 7(a) and 7(b) which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Underwriters under subsection 7(a) hereof, and the Corporation shall consult with the Underwriters with respect to the form and content of any amendment or other Supplementary Material proposed to be filed by the Corporation, it being understood and agreed that no such amendment or other Supplementary Material shall be filed with any Securities Regulator prior to the review thereof by the Underwriters and their counsel, acting reasonably (unless otherwise required by applicable Securities Laws).
- (d) If during the period of distribution of the Offered Securities there shall be any change in applicable Securities Laws which, in the opinion of the Underwriters, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Underwriters, the Corporation shall, to the satisfaction of the Underwriters, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate Canadian Securities Regulators where such filing is reasonably required.

#### **8. Covenants of the Corporation.**

The Corporation hereby covenants to the Underwriters that:

- (a) prior to and at all times until the Closing Time, the Corporation will allow the Underwriters (and their counsel and consultants) to conduct all due diligence which the Underwriters may reasonably require or which may reasonably be considered necessary or appropriate by the Underwriters. The Corporation will provide to the Underwriters (and their counsel) reasonable access to the Corporation's properties, senior management personnel and corporate, financial and other records, for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry the Underwriters (or their counsel) may conduct, the Corporation shall use its reasonable best efforts to make available its directors, senior management, technical advisors, auditors and counsel to answer any questions which the Underwriters may have and to participate in one or more due diligence sessions to be held prior to filing of each of the Preliminary Prospectus and the Final Prospectus;
- (b) the Corporation agrees not to provide any potential investor of Offered Securities with any Marketing Materials except for Marketing Materials which have been approved as contemplated in subsection 6(b) hereof;
- (c) the Corporation will advise the Underwriters, promptly after receiving notice thereof, of the time when the Preliminary Prospectus or any amendment thereof has been filed and a receipt therefor has been obtained pursuant to the Passport System and NP 11-202 and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipt;
- (d) the Corporation will advise the Underwriters, promptly after receiving notice thereof, of the time when the Final Prospectus and any Supplementary Material has been filed and a receipt therefor has been obtained pursuant to the Passport System and NP 11-202 and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipt;
- (e) the Corporation will, until the end of the distribution of the Offered Securities, advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, of:

- (i) the issuance by any Canadian Securities Regulators of any order suspending or preventing the use of the Offering Documents;
  - (ii) the suspension of the qualification for distribution of the Offered Securities in any of the Qualifying Provinces or the institution, threatening or contemplation of any proceeding for any such purposes; or
  - (iii) the receipt by the Corporation of any material communication, whether written or oral, from any Canadian Securities Regulators or any stock exchange, relating to the distribution of the Offered Securities or any requests made by any Canadian Securities Regulators for amending or supplementing the Preliminary Prospectus or the Final Prospectus or for additional information, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in subsection (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;
- (f) the Corporation shall use its commercially reasonable efforts to maintain its status as a “reporting issuer” under Securities Laws of the Qualifying Provinces not in default of any requirement of such Securities Laws, provided that the Corporation shall not be required to comply with this subsection 7(f) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Corporation ceases to be a “public company” (within the meaning of the *Business Corporations Act* (British Columbia));
- (g) the Corporation shall use commercially reasonable efforts to ensure that the Underlying Shares are, when issued, listed and posted for trading on the TSXV upon their date of issuance;
- (h) the Corporation shall use commercially reasonable efforts to remain a corporation validly subsisting under the laws of its jurisdiction of incorporation, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its Business in the ordinary course and in compliance in all material respects with all Applicable Laws, rules and regulations of each such jurisdiction, provided that the Corporation shall not be required to comply with this subsection 7(h) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Corporation ceases to be a “public company” (within the meaning of the *Business Corporations Act* (British Columbia));
- (i) the Corporation shall use commercially reasonable efforts to maintain the listing of the Common Shares on the TSXV, or such other recognized stock exchange or quotation system as the Underwriters, may approve, acting reasonably, provided that the Corporation shall not be required to comply with this subsection 7(i) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Corporation ceases to be a “public company” (within the meaning of the *Business Corporations Act* (British Columbia));
- (j) the Corporation will duly execute and deliver the Warrant Indenture and the Compensation Option Certificates at the Closing Time and comply with and satisfy all terms, conditions and covenants therein contained to be completed with or satisfied by the Corporation;
- (k) the Corporation shall ensure that, at the Closing Time, the Unit Shares and, if applicable, the Additional Shares shall be duly issued as fully paid and non-assessable Common Shares on payment of the Issue Price therefor;

- (l) the Corporation will ensure that that, at the Closing Time, the Warrants and, if applicable, the Additional Warrants shall be validly created and issued and shall have attributes corresponding in all material respects to the description set forth in the Warrant Indenture;
- (m) the Corporation will ensure that, at all times following the issue of the Warrants, the Additional Warrants (if any), the Compensation Options and the Compensation Option Warrants, a sufficient number of applicable Underlying Shares are allotted and reserved for issuance upon the due exercise of the Warrants, the Additional Warrants, the Compensation Options and the Compensation Option Warrants;
- (n) the Corporation will ensure that that, at the Closing Time, the Compensation Options shall be validly created and issued and shall have attributes corresponding in all material respects to the description set forth in the Compensation Option Certificates;
- (o) the Corporation will ensure that the Warrant Shares, upon the due exercise of the Warrants and, if applicable, the Additional Warrants, in accordance with their terms, shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;
- (p) the Corporation will ensure that, upon due exercise of the Compensation Options in accordance with their terms, the Compensation Option Shares shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;
- (q) the Corporation will ensure that, upon due exercise of the Compensation Option Warrants in accordance with their terms, the Compensation Option Warrant Shares shall be duly issued as fully paid and non-assessable shares in the capital of the Corporation on payment of the purchase price therefor;
- (r) the Corporation will duly appoint the Warrant Agent as the agent under the Warrant Indenture at or prior to the Closing Time;
- (s) the Corporation shall use the proceeds of the Offering in the manner specified in the Final Prospectus, unless in the sole opinion of the Corporation, acting reasonably, a reallocation of funds becomes prudent or necessary;
- (t) the Corporation shall execute and file with the Canadian Securities Regulators all forms, notices and certificates relating to the Offering required to be filed pursuant to the Securities Laws in the Qualifying Provinces in the time required by applicable Securities Laws in the Qualifying Provinces;
- (u) the Corporation shall, to the extent that any Offered Securities are sold in the United States or to, or for the account or benefit of, U.S. Persons, file such notices with the SEC as are required under the U.S. Securities Act and such notices and forms with state securities regulators as are required under state securities or "blue sky" laws;
- (v) the Corporation shall use its commercially reasonable efforts to cause to be fulfilled, at or prior to the Closing Date, each of the conditions required to be fulfilled by it set out in Section 13 hereof;
- (w) the Corporation shall not, directly or indirectly, offer, nor announce an offering of, nor to make any agreement to issue any equity or debt securities or securities convertible or exercisable into equity or debt securities of the Corporation at any time prior to the date that is ninety (90) days following the Closing Date without the prior written consent of the Underwriters, such consent not to be

unreasonably withheld, except in conjunction with: (i) the Over-Allotment Option; (ii) acquisitions; (iii) the exercise of any outstanding warrants, options, rights, share compensation arrangements or other convertible securities of the Corporation; (iv) to satisfy existing contractual obligations of the Corporation; and (v) other strategic, consulting, licensing, joint venture or similar transactions; and

- (x) the Corporation shall use its best efforts to cause the directors, senior officers and insiders of the Corporation and existing shareholders with over 5% pro-forma ownership, to enter into agreements in favour of the Underwriters (the “**Lock-Up Agreements**”) in which they will covenant and agree that they will not, for a period of 90 days following the Closing Date, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any 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, securities of the Corporation held by them, directly or indirectly, without prior consent of the Underwriters, which consent will not be unreasonably withheld or delayed, provided that the Underwriters’ consent shall not be required in connection with (i) the exercise of previously issued warrants, options, rights, share compensation arrangements or other convertible securities, (ii) transfers among a shareholder's affiliates for tax or other planning purposes, (iii) a tender or sale by a shareholder of securities of the Corporation in or pursuant to a take-over bid or similar transaction involving a change of control of the Corporation, or (iv) in respect of existing agreements regarding the pledging of securities.

## **9. Representations and Warranties of the Corporation.**

The Corporation represents and warrants to the Underwriters as of the date hereof, and acknowledges that the Underwriters are relying upon each of such representations and warranties in completing the Offering, that:

- (a) the Corporation and each of the Subsidiaries has been duly incorporated or otherwise organized and is validly existing as a corporation under the laws of the jurisdiction in which it was incorporated, or otherwise organized, as the case may be, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Corporation or the Subsidiaries;
- (b) the Corporation and each of the Subsidiaries is duly qualified to carry on the Business in each jurisdiction in which the conduct of the Business or the ownership, leasing or operation of its material Assets and Properties requires such qualification (except for such jurisdictions where the failure to be so qualified would not result in a Material Adverse Effect) and has all requisite corporate power and authority to conduct the Business and to own, lease and operate its material Assets and Properties and to execute, deliver and perform its obligations under this Agreement and any other document, filing, instrument or agreement delivered in connection with the Offering;
- (c) neither the Corporation nor any of the Subsidiaries is (i) in violation of its notice of articles, articles, or by-laws, as applicable; or (ii) in default of the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound, except in the case of clause (ii), for any such violations or defaults that would not result in a Material Adverse Effect;
- (d) the Corporation has no direct or indirect material subsidiaries other than the Subsidiaries, nor any investment in any Person which currently accounts for or which, for the financial year ended June

30, 2020, accounted for more than 10 percent of the assets or revenues of the Corporation or would otherwise be material to the Business and affairs of the Corporation. The Corporation owns, directly or indirectly, all of the voting securities of its Subsidiaries, in each case free and clear of all Liens and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or any of the Subsidiaries of the Corporation of any interest in any of the shares in the capital or membership interests, as applicable, of the Subsidiaries;

- (e) each of the Corporation and the Subsidiaries owns or has the right to use all material Assets and Properties currently owned or used in the Business, including: (A) all Contracts that are material to its Business; and (B) all material Assets and Properties necessary to enable the Corporation and its Subsidiaries to carry on its Business as now conducted and as presently proposed to be conducted;
- (f) except for the Permitted Encumbrances, no third party has any ownership right, title, interest in, claim in, lien against or any other right to any material Assets and Properties purported to be owned by the Corporation;
- (g) all material Contracts are in good standing in all material respects and in full force and effect;
- (h) neither the Corporation, any of the Subsidiaries nor, to the knowledge of the Corporation, any other party to any material Contract of the Corporation is in material default or breach of any material Contract of the Corporation and there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a material default or breach under any material Contract of the Corporation which would give rise to a right of termination on the part of any other party to a material Contract of the Corporation;
- (i) (A) each of the Corporation and the Subsidiaries is duly qualified and possesses all material permits, certificates, licenses, approvals, consents and other authorizations issued by the appropriate Governmental Authority necessary to conduct the Business; (B) each of the Corporation and the Subsidiaries is in material compliance with the terms and conditions of all material governmental licenses necessary to conduct the Business; (C) all material governmental licenses necessary to conduct the Business are valid and in full force and effect; and (D) the Corporation has not received any notice relating to the revocation or modification of any material governmental licenses necessary to conduct the Business;
- (j) the Corporation and each of the Subsidiaries and, to the knowledge of the Corporation, all directors, officers and employees of each: (A) is and at all times has been in material compliance with all applicable statutes, rules, regulations, ordinances, orders, decrees and guidances including, without limitation any Laws relating in whole or in part to health and safety and/or the environment (collectively, “**Applicable Laws**”) in each jurisdiction in which its carries on business in all material respects; (B) has not received any correspondence or notice from any Governmental Authority (including Health Canada) alleging or asserting material noncompliance with any Applicable Laws or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws (collectively, “**Authorizations**”); (C) possesses all Authorizations required for the conduct of its Business, and such Authorizations are valid and in full force and effect and the Corporation and each of the Subsidiaries and, to the knowledge of the Corporation, all directors, officers and employees of each are not in violation of any material term of any such Authorization; (D) has not received notice of any pending or threatened claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any operation or activity of the Corporation or any of the Subsidiaries or, to the knowledge of the Corporation any of their directors, officers and/or employees is in violation of any Applicable

Laws or material Authorizations and has no knowledge or reason to believe that any such Governmental Authority or third party is considering or would have reasonable grounds to consider any such claim, suit, proceeding, charge, hearing, enforcement, audit, investigation, arbitration or other action; (E) has not received notice that any Governmental Authority has taken, is taking, or intends to take action to limit, suspend, modify or revoke any material Authorizations and has no knowledge or reason to believe that any such Governmental Authority is considering taking or would have reasonable grounds to take such action; and (F) has, or has had on its behalf, filed, declared, obtained, maintained or submitted all material reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or material Authorizations and to keep all licenses in good standing and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission);

- (k) the authorized and issued share capital of the Corporation conforms to the description thereof contained in the Offering Documents;
- (l) the terms and the number of options and warrants to purchase or acquire Common Shares granted by the Corporation currently outstanding conforms to the description thereof contained in the Offering Documents and, other than as contemplated by this Agreement and options granted to directors, officers, employees and consultants of the Corporation to purchase or acquire Common Shares and outstanding warrants to purchase Common Shares as described in the Offering Documents, no person, firm or corporation has any agreement or option, right or privilege (contractual or otherwise) capable of becoming an agreement (including convertible or exchangeable securities and warrants) for the purchase or acquisition from the Corporation of any interest in any unissued Common Shares or other unissued securities of the Corporation;
- (m) the Corporation is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, and is not in default under the applicable Securities Laws of those Qualifying Provinces;
- (n) the Corporation is in material compliance with its timely and continuous disclosure obligations under Securities Laws and the policies, rules and regulations of the TSXV and, without limiting the generality of the foregoing, there is no material fact, and there has not occurred any material change (actual, anticipated, contemplated, threatened, financial or otherwise), relating to the assets, liabilities (contingent or otherwise), Business, affairs, operations, prospects, capital or control of the Corporation and its Subsidiaries taken as a whole which has not been set forth in the Offering Documents or otherwise publicly disclosed on a non-confidential basis and, except as may have been corrected by subsequent disclosure, all the statements set forth in all documents publicly filed by or on behalf of the Corporation, including the Documents Incorporated by Reference, were true, correct, and complete in all material respects and did not contain any misrepresentation as of the date of such statements and the Corporation has not filed any confidential material change reports since the date of such statements which remains confidential as at the date hereof;
- (o) at the Closing Time, the Unit Shares (including any Additional Shares issued upon exercise of the Over-Allotment Option) will be duly created and reserved for issuance and, when issued, delivered and paid for in full, will be validly issued and fully paid and non-assessable Common Shares, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation, and all statements made in the Offering Documents describing the Offered Securities will be accurate in all material respects;

- (p) at the Closing Time all necessary corporate action will have been taken by the Corporation to create and issue the Warrants (including the Additional Warrants), the Compensation Options and the Compensation Option Warrants and upon the respective due exercise thereof and payment of the exercise price therefor, the Warrant Shares, the Compensation Option Shares and Compensation Option Warrant Shares, respectively, will be validly issued and fully paid and non-assessable Common Shares, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation, and all statements made in the Offering Documents describing the Offered Securities will be accurate in all material respects;
- (q) Computershare Investor Services Inc., at its principal office in Vancouver, British Columbia, has been duly appointed as the registrar and transfer agent of the Corporation with respect to the Common Shares;
- (r) at or prior to the Closing Time, Computershare Trust Company of Canada, at its principal office in Vancouver, British Columbia, will have been duly appointed as the Warrant Agent;
- (s) this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally, general principles of equity, and the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution, waiver and the ability to sever unenforceable terms may be limited under applicable law;
- (t) each of the execution and delivery of this Agreement and the other Transaction Documents, the performance by the Corporation of its obligations hereunder and thereunder, the sale of the Offered Securities hereunder by the Corporation and the consummation of the transactions contemplated in this Agreement and other Transaction Documents, (i) 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), (A) any statute, rule, regulation or Law applicable to the Corporation or the Subsidiaries; (B) the notice of articles, articles, or by-laws, as applicable, or resolutions of the directors or shareholders of the Corporation or the Subsidiaries; (C) any material Contract to which the Corporation or any of the Subsidiaries is a party or by which any of them is bound; or (D) any judgment, decree or order binding the Corporation or the Subsidiaries or the material Assets or Properties thereof; and (ii) do not affect the rights, duties and obligations of any parties to a material Contract, nor give a party the right to terminate a material Contract, by virtue of the application of terms, provisions or conditions in such Contract;
- (u) as of the date hereof, the Corporation is authorized to issue an unlimited number of Common Shares, of which, as at the date hereof (prior to the completion of the Offering), 215,454,487 Common Shares are issued and outstanding as fully paid and non-assessable shares of the Corporation;
- (v) the Financial Statements contain no material misrepresentations and have been prepared in accordance with IFRS consistently applied throughout the periods referred to therein and present fully, fairly and correctly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise) of the Corporation and the Subsidiaries (as applicable) as at such dates and the results of operations of the Corporation and the Subsidiaries (as applicable) for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation and the Subsidiaries (as applicable) and there has been no change in accounting policies or practices of the Corporation since June 30, 2020 except as publicly disclosed; and on the date hereof, the Corporation has no

Indebtedness except as set out in the Financial Statements or indebtedness to vendors, suppliers and service providers incurred in the ordinary course of Business since June 30, 2020 or in connection with the Offering;

- (w) to the knowledge of the Corporation, the Corporation's Auditors are independent public accountants as required under the Securities Laws of the Qualifying Provinces and there has never been a reportable event (within the meaning of NI 51-102) between the Corporation and such auditors or, to the knowledge of the Corporation, any former auditors of the Corporation or the Subsidiaries;
- (x) the responsibilities and composition of the Corporation's audit committee comply with National Instrument 52-110 – *Audit Committees* for issuers listed on the TSXV;
- (y) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorization; and (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets;
- (z) to the knowledge of the Corporation, except as publicly disclosed, none of the directors, executive officers or shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding Common Shares or any known associate or affiliate of any such person, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation on a consolidated basis;
- (aa) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Corporation and the Subsidiaries have been paid, except where the failure to pay Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation and the Subsidiaries have been filed with all appropriate authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading, except where the failure to file such documents would not have a Material Adverse Effect. To the knowledge of the Corporation, (A) no examination of any tax return of the Corporation or any Subsidiaries is currently in progress and (B) there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Corporation or any Subsidiaries, except where such examinations, issues or disputes would not have a Material Adverse Effect;
- (bb) the Corporation and, as applicable, each of the Subsidiaries, have established on their 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 Corporation or any of its subsidiaries, and, to the knowledge of the Corporation, (A) there are no audits pending of the tax returns of the Corporation or any of its Subsidiaries (whether federal, state, provincial, local or foreign) and (B) there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would result in a Material Adverse Effect;

- (cc) since June 30, 2020, (A) there has been no material adverse change (actual, anticipated, contemplated, threatened, financial or otherwise) in the assets, liabilities (contingent or otherwise), business, affairs, operations, prospects, capital or control of the Corporation and the Subsidiaries taken as a whole as of the date of this Agreement that has not been generally disclosed, and (B) no material transactions have been entered into by the Corporation or the Subsidiaries other than in the ordinary course of business, except as disclosed in the Offering Documents;
- (dd) except as disclosed in the Offering Documents, neither the Corporation nor any Subsidiary is currently party to any agreement in respect of: (A) the purchase of any material Assets or Properties or any interest therein or the sale, transfer or other disposition of any material Assets or Properties or any interest therein currently owned, directly or indirectly, by the Corporation or the Subsidiaries whether by asset sale, transfer of shares or otherwise; or (B) the change of control of the Corporation or of the Subsidiaries (whether by sale or transfer of shares or sale of all or substantially all of the Assets and Properties of the Corporation or the Subsidiaries or otherwise);
- (ee) no material labour dispute with current and former employees of the Corporation or any of its Subsidiaries exists that would have a Material Adverse Effect, or, to the knowledge of the Corporation, is imminent and the Corporation is not aware of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of the Corporation that would have a Material Adverse Effect;
- (ff) no union has been accredited or otherwise designated to represent any employees of the Corporation or any of its Subsidiaries and, to the Corporation's knowledge, no accreditation request or other representation question is pending with respect to the employees of the Corporation or the Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or its Subsidiaries and none is currently being negotiated by the Corporation or any of the Subsidiaries;
- (gg) other than usual and customary health and related benefit plans for employees, the Offering Documents disclose, to the extent required by applicable Canadian Securities Laws to be disclosed in such Offering Documents, each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former director, officer, employee or consultant of the Corporation, as applicable;
- (hh) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments of the Corporation and its Subsidiaries have been recorded in accordance with IFRS and are reflected on the books and records of the Corporation;
- (ii) there is no material agreement, plan or practice relating to the payment of any management, consulting, service or other fee or any bonus, pensions, share of profits or retirement allowance, insurance, health or other employee benefit other than as entered into in the ordinary course of business;
- (jj) except as publicly disclosed, none of the directors, officers or employees of the Corporation or any associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation that materially affects, is material to or will materially affect the Corporation;

- (kk) except as disclosed in the Offering Documents, or Indebtedness in respect of trade payables, neither the Corporation nor any of its Subsidiaries is party to any debt instrument or any agreement, contract or commitment to create, assume or issue any Indebtedness or debt instrument;
- (ll) except as publicly disclosed, there are no legal or governmental actions, suits, judgments, investigations, charges or proceedings pending to which the Corporation or the Subsidiaries are a party or to which the Corporation's Assets or Properties are subject, which if finally determined adversely to the Corporation would be expected to result in a Material Adverse Effect or that would result in the revocation or modification of any certificate, authority, permit or license necessary to conduct the Business now owned or operated by the Corporation or the Subsidiaries and, to the knowledge of the Corporation, no such proceedings have been threatened against or are pending with respect to the Corporation or the Subsidiaries, or with respect to the Assets and Properties of the Corporation taken as a whole and the Corporation and the Subsidiaries are not subject to any judgment, order, writ, injunction, decree or award of any Governmental Authority that could be expected to result in a Material Adverse Effect;
- (mm) as required under the Securities Laws of the Qualifying Provinces, the material Contracts and agreements of the Corporation not made in the ordinary course of Business have been publicly disclosed, and have or will be filed with the Canadian Securities Regulators in accordance with such Securities Laws;
- (nn) the minute books and records of the Corporation made available to counsel for the Underwriters in connection with its due diligence investigation of the Corporation for the periods from the respective dates of incorporation or formation of the Corporation to the date hereof are all of the minute books and records of the Corporation and contain copies of all significant proceedings of the shareholders, the boards of directors and all committees of the boards of directors of the Corporation to the date hereof and there have not been any other formal meetings, resolutions or proceedings of the shareholders, boards of directors or any committees of the boards of directors of the Corporation to the date hereof not reflected in such minute books and other records other than those which have been disclosed in writing to the Underwriters or at or in respect of which no material corporate matter or business was approved or transacted;
- (oo) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any Governmental Authority;
- (pp) no Canadian Securities Regulator or comparable authority has issued any order preventing or suspending the use or effectiveness of the Offering Documents or preventing the distribution of the Offered Securities in any Qualifying Province nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;
- (qq) with respect to each premises which is material to the Corporation and which the Corporation or any of the Subsidiaries occupies, whether as owner or as tenant, (the "**Premises**"), the Corporation or its applicable Subsidiary occupies the Premises and has the exclusive right to occupy and use the Premises and each of the leases or real title pursuant to which the Corporation or such Subsidiary occupies or owns, as applicable, the Premises is in good standing and in full force and effect under a valid, subsisting and enforceable lease or real title, as the case may be, with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by the Corporation or such Subsidiary;

- (rr) (A) each of the Corporation and the Subsidiaries, its material Assets and Properties and the operation of its Business, have been and are, to the knowledge of the Corporation, in compliance in all material respects with all Environmental Laws; (B) to the knowledge of the Corporation, neither the Corporation nor the Subsidiaries are in violation of any regulation relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, which violation could reasonably be expected to cause a Material Adverse Effect (collectively, "**Hazardous Materials**"); (C) each of the Corporation and the Subsidiaries has complied in all material respects with all reporting and monitoring requirements under all Environmental Laws; (D) neither the Corporation nor the Subsidiaries has ever received any notice of any material non-compliance in respect of any Environmental Laws; (E) to the knowledge of the Corporation, there are no events or circumstances relating to Hazardous Materials or any Environmental Laws that might reasonably be expected to form the basis of an order for clean up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Corporation, which could reasonably be expected to have a Material Adverse Effect relating to Hazardous Materials or any Environmental Laws; and (F) there are no Environmental Permits necessary to conduct the Business other than those that have been obtained by the Corporation or its Subsidiaries;
- (ss) the Corporation or its Subsidiaries either owns or has the right to use all of the Intellectual Property owned or used by the Business as of the date hereof. All material registrations, if any, and filings that the Corporation has considered necessary to preserve the rights of the Corporation and the Subsidiaries in such Intellectual Property have been made and are in good standing. To the knowledge of the Corporation, the Corporation and the Subsidiaries have no pending action or proceeding, nor any threatened action or proceeding, against any Person with respect to the use of the Intellectual Property, and there are no circumstances known to the Corporation which would cast doubt on the validity or enforceability of the Intellectual Property owned or used by the Corporation and the Subsidiaries. The conduct of the Business does not, to the knowledge of the Corporation, infringe upon the intellectual property rights of any other Person. The Corporation and the Subsidiaries have no pending action or proceeding, nor, to the knowledge of the Corporation, is there any threatened action or proceeding against it with respect to the Corporation's and any Subsidiary's use of the Intellectual Property;
- (tt) the Corporation and its Subsidiaries have taken all reasonable steps to protect its owned Intellectual Property in those jurisdictions where the Corporation or such Subsidiary carries on a sufficient business to justify such filings;
- (uu) there are no material restrictions on the ability of the Corporation or any Subsidiary to use and exploit all rights in the Intellectual Property required in the ordinary course of business of the Corporation or the Subsidiary;
- (vv) all registrations of Intellectual Property are in good standing and are recorded in the name of the Corporation or any Subsidiary, or in the name of the parties that have licensed that Intellectual Property to the Corporation or any Subsidiary, as applicable, in the appropriate offices to preserve the rights thereto. All such registrations have been filed, prosecuted and obtained in accordance with all applicable legal requirements and are currently in effect and in compliance with all applicable legal requirements. No registration of Intellectual Property has expired, become abandoned, been cancelled or expunged, or has lapsed for failure to be renewed or maintained, except where such expiration, abandonment cancellation, expungement or lapse would not have a Material Adverse Effect;
- (ww) the Corporation maintains insurance against loss of, or damage to, its assets by all insurable risks on a replacement cost basis in accordance with industry standards; and such insurance coverage is

in good standing in all material respects and not in default except in each case as could not reasonably be expected to have a Material Adverse Effect;

- (xx) all necessary corporate action will have been taken by or on behalf of the Corporation and each of the Subsidiaries, including the passing of all requisite resolutions of the respective directors and/or shareholders thereof, necessary to carry out its obligations hereunder by the Closing Time;
- (yy) the form and terms of the certificate for the Common Shares have been approved and adopted by the board of directors of the Corporation, and such form and terms comply with the provisions of the notice of articles and articles of the Corporation and the rules of the TSXV;
- (zz) the Offered Securities will be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds and tax-free savings accounts;
- (aaa) all information which has been prepared by the Corporation relating to the Corporation and its Business, property and liabilities thereof and either publicly disclosed, provided or made available to the Underwriters, including the Offering Documents is, as of the date of such information, true and correct in all material respects, taken as whole, and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (bbb) the Corporation has not withheld and will not withhold from the Underwriters prior to the Closing Time, any material facts that are within its knowledge relating to the Corporation, any of the Subsidiaries or the Offering;
- (ccc) the Corporation has not otherwise completed any “significant acquisition” or “significant disposition”, nor are there any “probable acquisitions” (as such terms are used in NI 44-101 and Form 44-101F1) that, would require the filing of a business acquisition report or the inclusion of any additional financial statements or *pro forma* financial statements in the Offering Documents pursuant to the Securities Laws of the Qualifying Provinces;
- (ddd) the Corporation is eligible to file a short form prospectus in each of the Qualifying Provinces pursuant to applicable Securities Laws of the Qualifying Provinces and on the date of and upon filing of the Final Prospectus there will be no documents required to be filed under applicable Securities Laws of the Qualifying Provinces in connection with the Offering that will not have been filed as required; and
- (eee) other than the Underwriters pursuant to this Agreement and any Selling Firms appointed by the Underwriters, there is no Person acting or purporting to act at the request of the Corporation or any of its Subsidiaries which is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the transactions contemplated herein.

## **10. Representations and Warranties of the Underwriters**

Each Underwriter hereby severally, and not joint and severally, represents and warrants to the Corporation as of the date hereof, and acknowledges that the Corporation is relying upon each of such representations and warranties in completing the Offering, that:

- (a) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable Securities Laws so as to permit it to lawfully fulfil its obligations hereunder;

- (b) it has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and any other document, filing, instrument or agreement delivered in connection with the Offering; and
- (c) other than the Marketing Materials, the Underwriters have not provided any marketing materials to any potential investors in connection with the Offering.

## 11. Closing Deliveries.

The purchase and sale of the Offered Securities shall be completed at the Closing Time at the offices of Aird & Berlis LLP, counsel to the Corporation, in Toronto, Ontario, or at such other place as the Underwriters and the Corporation may agree. At or prior to the Closing Time, the Corporation shall duly and validly deliver to the Underwriters: (i) one or more certificates in definitive form representing the Offered Securities, in each case registered in the name of “CDS & Co.” or in such other name or names as the Underwriters may notify the Corporation in writing not less than twenty-four (24) hours prior to the Closing Time for deposit into the electronic book based system for clearing, depository and entitlement services operated by CDS, against payment by the Underwriters of the aggregate purchase price for the Offered Securities less an amount equal to the Underwriting Fee and a reasonable estimate of the out-of-pocket fees and expenses of the Underwriters and their counsel payable pursuant to Section 20, at the direction of the Corporation, in lawful money of Canada by wire transfer or, if permitted by Applicable Laws, by certified cheque or bank draft, payable at par in the City of Toronto, Ontario, together with a receipt signed by MRCC for such definitive certificate(s) and for receipt of the Underwriting Fee and such estimated expenses; and (ii) the Compensation Option Certificates registered in such name or names as the Underwriters may notify the Corporation in writing not less than twenty-four (24) hours prior to the Closing Time. Notwithstanding the foregoing, if the Corporation determines to issue any of the Offered Securities as book-entry only securities in accordance with the “non-certificated inventory” rules and procedures of CDS, then as an alternative or in addition to the Corporation delivering one or more definitive certificates representing the Offered Securities, the Underwriters will provide a direction to CDS with respect to the crediting of the Offered Securities to the accounts of participants of CDS as shall be designated by the Underwriters in writing in sufficient time prior to the Closing Date to permit such crediting.

## 12. Over-Allotment Option

- (a) The Corporation hereby grants to the Underwriters, for the purpose of covering over-allotments, if any, or for market stabilization purposes, the Over-Allotment Option to purchase the Additional Units or Additional Shares and/or Additional Warrants. The Over-Allotment Option is exercisable in whole or in part at any time or times on or before 5:00 p.m. (Toronto time) on the thirtieth (30<sup>th</sup>) day following the Closing Date. For greater certainty, the Underwriters shall be paid the Underwriting Fee in respect of the sale of any Additional Units, Additional Shares, or Additional Warrants purchased pursuant to the exercise of the Over-Allotment Option. The Underwriters may exercise the Over-Allotment Option from time to time, in whole or in part, during the period thereof by delivering written notice to the Corporation (the “**Over-Allotment Notice**”) specifying the number of Additional Units and/or Additional Shares and/or Additional Warrants which the Underwriters wish to purchase. If the Underwriters exercises the Over-Allotment Option, the Underwriters shall, on the date of Closing of any exercise of the Over-Allotment Option, which shall be a date that is not less than three (3) Business Days and not more than five (5) Business Days after the date of the Over-Allotment Notice (such day to be specified by the Underwriters in their sole discretion), pay to the Corporation the aggregate purchase price for the Additional Units or Additional Shares and/or Additional Warrants so purchased, less an amount equal to the Underwriting Fee payable in respect of the sale of the Additional Units and/or Additional Shares and/or Additional Warrants, by wire transfer, certified cheque or bank draft in Canadian currency against delivery of one or more certificates in definitive form representing the Additional Units

and/or Additional Shares and/or Additional Warrants purchased, registered in the name of CDS or in such other name as the Underwriters may direct for deposit into the electronic book based system for clearing, depository and entitlement services operated by CDS. Notwithstanding the foregoing, if the Corporation determines to issue any of the Additional Units and/or Additional Shares and/or Additional Warrants as book-entry only securities in accordance with the “non-certificated inventory” rules and procedures of CDS, then as an alternative or in addition to the Corporation delivering one or more definitive certificates representing the Additional Shares, the Underwriters will provide a direction to CDS with respect to the crediting of the Additional Units and/or Additional Shares and/or Additional Warrants to the accounts of participants of CDS as shall be designated by the Underwriters in writing in sufficient time prior to the Closing Date to permit such crediting. The applicable terms, conditions and provisions of this Agreement (including, without limitation, the provisions of Section 13 relating to closing deliveries unless otherwise agreed to by the Underwriters and the Corporation) shall apply *mutatis mutandis* to the issuance of any Additional Units and/or Additional Shares and/or Additional Warrants pursuant to any exercise of the Over-Allotment Option.

- (b) In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its share structure during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the exercise price and to the number of Additional Units or Additional Shares and/or Additional Warrants issuable on exercise thereof such that the Underwriters are entitled to arrange for the sale of the same number and type of securities that the Underwriters would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

### **13. Conditions of Closing.**

The following are conditions precedent to the obligations of the Underwriters to complete the Closing and of the Purchasers to purchase the Offered Securities at the Closing Time, which conditions the Corporation covenants and agrees to use commercially reasonable efforts to fulfil within the time set out herein therefor, and which conditions may be waived in writing in whole or in part by the Underwriters:

- (a) the Corporation shall cause its counsel, Aird & Berlis LLP, who may rely on opinions of local counsel acceptable to counsel to the Underwriters, acting reasonably, to deliver to the Underwriters a legal opinion addressed to the Underwriters, dated and delivered on the Closing Date, in form and substance satisfactory to the Underwriters acting reasonably, and who may rely as to matters of fact on certificates on officers, public and exchange officials or the auditor, registrar, transfer agent or warrant agent of the Corporation, with respect to the following matters:
  - (i) as to the incorporation and valid existence of the Corporation and as to the corporate capacity, power and authority of the Corporation to carry out its obligations under this Agreement and to issue the Offered Securities;
  - (ii) that the Corporation is a “reporting issuer” in each of the Qualifying Provinces that recognizes the concept of a reporting issuer and is not noted on a list maintained by the Canadian securities regulators as being in default under Securities Laws in the Qualifying Provinces;
  - (iii) as to the authorized capital of the Corporation;
  - (iv) that the Corporation has all necessary corporate capacity and power under the Laws of Canada to carry on its Business as presently carried on and to own, lease and operate its Assets and Properties;

- (v) that all necessary corporate action has been taken by the Corporation to authorize the execution of each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material and the filing thereof with the Canadian Securities Regulators;
- (vi) that the Unit Shares have been duly authorized and validly issued as fully paid shares in the capital of the Corporation;
- (vii) that the Warrant Shares, the Compensation Option Shares and the Compensation Option Warrant Shares issuable upon the due exercise of the Warrants, the Compensation Options and the Compensation Option Warrants have been duly authorized and reserved for issuance, and upon the due exercise, including payment therefor, of the Warrants, the Compensation Options and the Compensation Option Warrants in accordance with the provisions thereof the Warrant Shares, the Compensation Option Shares and the Compensation Option Warrant Shares, respectively, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (viii) that the Warrants have been duly authorized by the Corporation and upon their issuance in accordance with the terms of this Agreement and the Warrant Indenture will constitute legally binding agreements of the Corporation, enforceable in accordance with the terms of the Warrant Indenture;
- (ix) that the Compensation Options have been duly authorized by the Corporation and upon their issuance in accordance with the terms of the Compensation Option Certificates will constitute legally binding agreements of the Corporation, enforceable in accordance with the terms of the Compensation Options Certificates;
- (x) that the Compensation Option Warrants issuable upon the due exercise of the Compensation Options have been duly authorized by the Corporation and upon their issuance in accordance with the terms of the Compensation Option Certificate and the Warrant Indenture will constitute legally binding agreements of the Corporation, enforceable in accordance with the terms of the Warrant Indenture;
- (xi) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of the Transaction Documents and the performance of its obligations hereunder and thereunder and each of the Transaction Documents has been executed and delivered by the Corporation and constitute a legal, valid and binding obligation of the Corporation enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, liquidation, reorganization, moratorium 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 may be limited by applicable law;
- (xii) that none of the execution and delivery of any of the Transaction Documents, the performance by the Corporation of its obligations hereunder or thereunder nor the issuance, sale and delivery of the Offered Securities to be issued and sold by the Corporation at the Closing Time will conflict with or result in any breach of the notice of articles of the Corporation, any resolutions of the directors or shareholders of the Corporation or any applicable corporate Law or Securities Laws of the Qualifying Provinces;

- (xiii) that all necessary documents have been filed, all requisite proceedings have been taken, all approvals, permits and consents of the appropriate regulatory authority in each Qualifying Province have been obtained, and all necessary legal requirements have been fulfilled, in order to qualify the distribution of the Unit Shares and the Warrants comprising the Purchased Units, the Compensation Options, the Over-Allotment Option and the Additional Shares and the Additional Warrants comprising the Additional Units in each of the Qualifying Provinces through dealers who are registered under applicable Securities Laws and who have complied with the relevant provisions of such applicable Securities Laws;
- (xiv) the issuance by the Corporation of (i) the Warrant Shares upon the exercise of the Warrants and in accordance with and pursuant to the terms and conditions of the Warrant Indenture; (ii) the Compensation Option Shares upon the exercise of the Compensation Options and in accordance with and pursuant to the terms and conditions of the Compensation Option Certificate; and (iii) the Compensation Option Warrant Shares upon the exercise of the Compensation Option Warrants in accordance with and pursuant to the terms and conditions of the Compensation Option Warrants and the Warrant Indenture, is exempt from the prospectus requirements of the applicable Securities Laws in the Qualifying Provinces and no prospectus or other document is required to be filed, no proceeding is required to be taken and no approval, permit or consent of the Securities Regulators is required to be obtained by the Corporation under the applicable Securities Laws in the Qualifying Provinces to permit such issuance of the Warrant Shares, the Compensation Option Shares and the Compensation Option Warrant Shares;
- (xv) the first trade in Warrant Shares underlying the Warrants, the Compensation Option Shares underlying the Compensation Options and the Compensation Option Warrant Shares underlying the Compensation Option Warrants is exempt from the prospectus requirements of the applicable Securities Laws in the Qualifying Provinces and no prospectus or other document is required to be filed, no proceeding is required to be taken and no approval, permit, consent or authorization of regulatory authorities is required to be obtained by the Corporation under applicable Securities Laws of the Qualifying Provinces to permit such trade through registrants registered under applicable Securities Laws who have complied with such laws and the terms and conditions of their registration, provided that (i) such trade is not a “control distribution” as that term is defined in National Instrument 45-102 – *Resale of Securities* at the time of such trade, (ii) the Corporation is a reporting issuer (as defined under applicable Securities Laws) at the time of such first trade, and (iii) such first trade is not a transaction or series of transactions involving a purchase and sale or a repurchase and resale in the course of or incidental to a distribution;
- (xvi) that the rights, privileges, restrictions and conditions attaching to the Offered Securities conform in all material respects to the descriptions thereof contained in the Final Prospectus;
- (xvii) that the statements set forth in the Final Prospectus under the caption “Eligibility for Investment” are accurate, subject to the limitations and qualifications set out therein;
- (xviii) Computershare Investor Services Inc. is the duly appointed registrar and transfer agent for the Common Shares;
- (xix) Computershare Trust Company of Canada is the duly appointed Warrant agent, registrar and transfer agent for the Warrants; and

- (xx) that subject only to the Standard Listing Conditions, the Underlying Shares and Warrants have been conditionally approved for listing on the TSXV.

In connection with such opinion, counsel to the Corporation may rely on the opinions of local counsel in the Qualifying Provinces acceptable to the Underwriters, acting reasonably, as to certain corporate and securities matters relating to the Corporation and as to the qualification for distribution of the Offered Securities or opinions may be given directly by local counsel of the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province in which they are qualified to practise and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of the Corporation and others;

- (b) the Underwriters receiving at the Closing Time on the Closing Date, a legal opinion to be addressed to the Underwriters, in form and substance acceptable to the Underwriters, acting reasonably, from counsel to the Material Subsidiaries (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers), that: (i) each of the Material Subsidiaries is a corporation existing under the laws of its jurisdiction of organization, and has all requisite corporate capacity, power and authority to carry on its business as now conducted and to own, lease and operate its Assets and Properties; and (ii) all of the issued and outstanding shares of capital of each of the Material Subsidiaries are registered in the name of the Corporation or another Material Subsidiary, of which 50% of the issued and outstanding shares are registered in the name of the Corporation or another Material Subsidiary;
- (c) if any Offered Securities are sold in the United States or to, or for the account or benefit of, U.S. Persons, the Underwriters receiving, at the Closing Time on the Closing Date, a legal opinion dated the Closing Date, to be addressed to the Underwriters, in form and substance acceptable to the Underwriters, acting reasonably, of special United States legal counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers of the Corporation), to the effect that the offer and sale in the United States or to, or for the account or benefit of, U.S. Persons of the Offered Securities is not required to be registered under the U.S. Securities Act;
- (d) the Underwriters shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer or Chief Financial Officer of the Corporation, or such other officer(s) of the Corporation as the Underwriters may agree, certifying for and on behalf of the Corporation and without personal liability, to the best of the knowledge, information and belief of the persons so signing, with respect to: (i) the articles of the Corporation; (ii) the resolutions of the Corporation's board of directors relevant to the issue and sale of the Offered Securities to be issued and sold by the Corporation and the authorization of the other agreements and transactions contemplated herein; and (iii) the incumbency and signatures of signing officers of the Corporation;
- (e) the Corporation shall cause each of the Corporation's Auditors to deliver to the Underwriters a comfort letter, dated as of the Closing Date, in form and substance satisfactory to the Underwriters, 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 letters referred to in subsection 5(a)(iii) hereof;
- (f) the Underwriters shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer or Chief Financial Officer of the Corporation, or such other officers of the Corporation as the Underwriters may agree, certifying for and on behalf of the Corporation and without personal liability, to the best of the knowledge, information and belief of the persons so signing, after having made due enquiry and after having carefully examined the Final Prospectus and any Supplementary Material, that:

- (i) the Corporation has complied in all respects with all the covenants and satisfied in all 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;
  - (ii) the representations and warranties of the Corporation contained in this Agreement and any certificate of the Corporation delivered hereunder are true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as at the Closing Time, with the same force and effect as if made on and as at the Closing Time, after giving effect to the transactions contemplated by this Agreement;
  - (iii) the Corporation has obtained a receipt from the Principal Regulator under the Passport System and NP 11-202 evidencing that receipts have been issued by or on behalf of the Canadian Securities Regulators for the Final Prospectus and no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Common Shares or any other securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Securities Laws of the Qualifying Provinces or by any regulatory authority;
  - (iv) since the respective dates as of which information is given in the Final Prospectus (A) there has been no material change (actual, anticipated, contemplated, threatened, financial or otherwise) in the assets, liabilities (contingent or otherwise), business, affairs, operations, prospects, capital or control of the Corporation and its Subsidiaries taken as a whole, and (B) no transaction has been entered into by either the Corporation or any of its Subsidiaries which is material to the Corporation on a consolidated basis, other than as disclosed in the Final Prospectus or the Supplementary Material, as the case may be; and
  - (v) 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 Securities Laws;
- (g) all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Corporation under applicable Securities Laws in the Qualifying Provinces and the United States necessary for the offer and sale of the Offered Securities, the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, will have been made or obtained, as applicable (other than, in respect of the Offering, the filing of reports required under applicable Securities Laws in the Qualifying Provinces and the United States within the prescribed time periods and the filing of standard documents with the TSXV, which documents shall be filed as soon as practicable after the Closing Date and, in any event, within such deadline as may be imposed by such Securities Laws or the TSXV) and the Underwriters shall have received copies of correspondence indicating that the Corporation has obtained all necessary approvals for the Underlying Shares and Warrants to be conditionally listed on the TSXV, subject only to the Standard Listing Conditions;

- (h) the Underwriters shall have received, at the Closing Time, a certificate of status in respect of the Corporation, which certificate shall be dated no more than two (2) Business Days prior to the Closing Date;
- (i) the Underwriters shall have received the Lock-Up Agreements; and
- (j) the Underwriters shall have received a certificate from Computershare Investor Services Inc. as to the number of Common Shares issued and outstanding as at the date immediately prior to the Closing Date.

#### **14. Termination for Breach of Conditions.**

The Corporation agrees that all terms and conditions set out in this Agreement shall be construed as conditions and any breach or failure by the Corporation to comply with any such conditions in favour of the Underwriters shall entitle the Underwriters to terminate its obligation to purchase the Purchased Units, and, if applicable, the Additional Units, by written notice to that effect given to the Corporation prior to the Closing Time. The Corporation shall use commercially reasonable efforts to cause all conditions in this Agreement to be satisfied. It is understood that the Underwriters may waive, in whole or in part, or extend the time for compliance with, any of such conditions without prejudice to the rights of the Underwriters in respect of any such conditions or any other or subsequent breach or non-compliance, provided that to be binding on an Underwriters any such waiver or extension must be in writing and signed by such Underwriters.

#### **15. Termination Events.**

In addition to any other remedies which may be available to the Underwriters in respect of any default, act or failure to act or non-compliance with the terms of this Agreement, any Underwriter shall be entitled, at its option, to terminate and cancel, without any liability on such Underwriter's part, all of its obligations under this Agreement to purchase the Purchased Units and, if applicable, the Additional Units, by giving written notice to the Corporation at any time at or prior to the Closing Time, if:

- (a) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Common Shares or any other securities of the Corporation is made or threatened by a securities regulatory authority;
- (b) there shall be any material change or change in any material fact or a new material fact shall arise which has or would be expected to have, in the opinion of the Underwriters (or any of them) a material adverse effect on the business, affairs or financial condition of the Corporation or its Subsidiaries, taken as a whole, or on the market price or value of the securities of the Corporation;
- (c) any inquiry, action, suit, investigation or other proceeding, whether formal or informal (including matters of regulatory transgression or unlawful conduct) is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the TSXV or any Securities Regulator or any law or regulation is enacted or changed which would cease trading in the Common Shares or, in the opinion of the Underwriters (or any of them), acting reasonably, operates to prevent or materially restrict the trading of the Common Shares or materially and adversely affects or might be expected to materially and adversely affect the market price or value of the Common Shares;
- (d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including any natural catastrophe) or any outbreak or escalation of national or international hostilities or any crisis or calamity or act of

terrorism or similar event or any governmental action, change of applicable law or regulation (or the interpretation or administration thereof), inquiry or other occurrence of any nature whatsoever, including by a result of the novel coronavirus (COVID-19) pandemic only to the extent that there are material adverse impacts related thereto after February 24, 2021, which, in each case, in the opinion of such Underwriter, imminently seriously adversely affects, or involves, or might reasonably be expected to imminently seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company and its subsidiaries (taken as a whole); or

- (e) the Corporation is in breach of any material term, condition or covenant contained in this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect and cannot be cured.

The Underwriters shall provide written notice to the Corporation of the occurrence of any of the events referred to in this Section 15, prior to the Closing Date.

#### **16. Exercise of Termination Rights.**

If this Agreement is terminated by the Underwriters pursuant to Section 15, there shall be no further liability on the part of the Underwriters or of the Corporation to the Underwriters, except in respect of any liability which may have arisen or may thereafter arise under Sections 18, 19 and 20. The right of the Underwriters to terminate its obligations under this Agreement is in addition to such other remedies as it may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement.

#### **17. Survival of Representations and Warranties.**

Except as expressly set out herein, all warranties, representations, covenants and agreements of the Corporation and the Underwriters herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the purchase by the Underwriters of the Offered Securities and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as the case may be, regardless of the Closing of the sale of the Offered Securities, any subsequent disposition of the Offered Securities by the Underwriters or the termination of the Underwriters' obligations under this Agreement for a period ending on the date that is two (2) years following the Closing Date and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material or the distribution of the Offered Securities or otherwise, and the Corporation agrees that the Underwriters shall not be presumed to know of the existence of a claim against the Corporation under this Agreement or any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Securities as a result of any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material or the distribution of the Offered Securities or otherwise. Notwithstanding the foregoing, the provisions contained in this Agreement in any way related to indemnification or contribution obligations shall survive and continue in full force and effect, indefinitely.

#### **18. Indemnification**

- (a) The Corporation shall fully indemnify and save harmless the Underwriters and their affiliates and their directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the Underwriters or its affiliates (collectively, the “**Indemnified Parties**” and individually an “**Indemnified Party**”) from and against any and all liabilities, claims (including securityholder actions, derivative or otherwise), actions, losses (other than a loss of profits in connection with the distribution of the Offered Securities), costs, damages and expenses (including the aggregate amount

paid in settlement of any action, suit, proceeding, investigation or claim) and the reasonable fees and expenses of their counsel (collectively, “**Losses**”) that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party by any third party other than the Corporation or in enforcing this indemnity (collectively, the “**Claims**” and individually, a “**Claim**”) to which any Indemnified Party may become subject or otherwise involved in any capacity insofar as the Losses and/or Claims relate to, are caused by, result from, arise out of, or are in connection with, directly or indirectly:

- (i) the breach of any representation or warranty of the Corporation made in any Transaction Document or the failure of the Corporation to comply with any of its obligations in any Transaction Document or any omission or alleged omission to state in any Transaction Document any fact required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made;
  - (ii) any information or statement (except any information or statement relating solely to the Underwriters and furnished in writing by the Underwriters or its legal counsel to the Corporation for use therein) in any of the Offering Documents (including, for greater certainty, the Documents Incorporated by Reference) containing or being alleged to contain a misrepresentation or being or being alleged to be untrue, or based upon any omission or alleged omission to state in any of the Offering Documents any material fact (other than a material fact relating solely to the Underwriters) required to be stated in those documents or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made;
  - (iii) any order made or any inquiry, investigation or proceeding instituted, threatened or announced by any court, securities regulatory authority, stock exchange or by any other competent authority, based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation (except a statement, omission or misrepresentation relating solely to the Underwriters and furnished in writing by the Underwriters or their legal counsel to the Corporation for use therein) contained in any of the Offering Documents or any other document or material filed or delivered on behalf of the Corporation pursuant to this Agreement, preventing or restricting the trading in or the sale or distribution of the Offered Securities or any other securities of the Corporation; and
  - (iv) the non-compliance by the Corporation with any applicable Securities Laws or other regulatory requirements or the rules of the TSXV including the Corporation’s non-compliance with any statutory requirement to make any document available for inspection;
- (b) If any Claim contemplated by this Section 18 shall be asserted against any of the Indemnified Parties, or if any potential Claim contemplated by this Section 18 shall come to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned shall promptly notify in writing the Corporation of the nature of such Claim (provided that any failure to so notify in respect of any Claim or potential Claim shall affect the liability of the Corporation under this Section 18 only if and to the extent that the Corporation is materially and adversely prejudiced by such failure). The Corporation shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any such Claim within fourteen (14) days of receipt of the aforementioned notice from the Indemnified Party; provided that the defence shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Party, acting reasonably. The Indemnified Party shall have the right to participate in the settlement and defense of the Claim and no admission of liability shall be made by the Corporation or the Indemnified Party without, in each case, the prior written consent of all the Indemnified Parties affected and the Corporation, such consent not to be unreasonably withheld. If such

defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Underwriters, will keep the Underwriters advised of the progress thereof and will discuss with the Underwriters all significant actions proposed. An Indemnified Party shall have the right to, acting reasonably, employ separate counsel in any such Claim and participate in the defence thereof but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless:

- (i) the Corporation fails to assume the defence of such Claim on behalf of the Indemnified Party within fourteen (14) days of receiving notice of such suit;
- (ii) the employment of such counsel has been authorized by the Corporation; or
- (iii) the named parties to any such Claim (including any added or third parties) include the Indemnified Party and the Corporation and the Indemnified Party shall have been advised by counsel that representation of the Indemnified Party by counsel for the Corporation is inappropriate as a result of the potential or actual conflicting interests of those represented or that there may be legal defences available to the Indemnified Party or Indemnified Parties which are different from or in addition to those available to the Corporation or that the subject matter of the Claim may not fall within the foregoing indemnity or that there is a conflict of interest between the Corporation and the Indemnified Parties;

in which case, the Corporation shall not have the right to assume the defence of such Claim on behalf of the Indemnified Party and the Corporation shall be liable to pay the reasonable and out-of-pocket fees and disbursements of counsel for such Indemnified Parties as well as the reasonable costs and out-of-pocket expenses of the Indemnified Party. Notwithstanding anything set forth herein, in no event shall the Corporation be liable for the fees or disbursements of more than one firm of legal counsel to an Indemnified Party in a particular jurisdiction in respect of any particular Claim or related set of Claims.

The Corporation will not, without each affected Indemnified Party's prior written consent, such consent not to be unreasonably withheld, admit any liability, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, suit, proceeding, investigation or claim in respect of which indemnification may be sought hereunder unless in connection with any settlement, compromise or consent by the Corporation, such settlement, compromise or consent (i) includes an unconditional release of each Indemnified Party from any liabilities arising out of such action, suit, proceeding, investigation or claim (if an Indemnified Party is a party to such action) and (ii) does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of an Indemnified Party.

- (c) The Corporation hereby acknowledges and agrees that, with respect to Sections 18 and 19 hereof, the Underwriters are contracting on their own behalf and as agents for their affiliates, and their directors, officers, employees, partners, shareholders, advisors, agents and each other person, if any, controlling the Underwriters or their affiliates and their respective directors, officers, employees, shareholders, partners, advisors and agents (collectively, the "**Beneficiaries**"). In this regard, the Underwriters shall act as trustee for the Beneficiaries of the covenants of the Corporation under Sections 18 and 19 hereof with respect to the Beneficiaries and accepts these trusts and shall hold and enforce such covenants on behalf of the Beneficiaries.
- (d) The Corporation hereby waives any right it may have of first requiring an 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. The Corporation also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Corporation or any person

asserting Claims on behalf of or in right of the Corporation for or in connection with the Offering (whether performed before or after the date of this Agreement) except to the extent any Losses suffered by the Corporation are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the gross negligence, fraud, illegal act or wilful misconduct of such Indemnified Party.

- (e) Notwithstanding anything to the contrary contained herein, the foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Losses to which the Indemnified Party may be subject were caused by the gross negligence, fraud, illegal act or wilful misconduct of the Indemnified Party. For greater certainty, the Corporation and the Underwriters agree that they do not intend that any failure by the Underwriters to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing the Offering Documents contained no misrepresentation shall constitute “fraud” or “gross negligence” or “wilful misconduct” for purposes of this Section 15 or otherwise disentitle the Underwriters from indemnification hereunder.
- (f) The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or the Underwriters by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or if any such commission or authority shall investigate the Corporation and/or the Indemnified Parties and any Indemnified Parties shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Underwriters, the Indemnified Parties shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Underwriters for time spent by the Indemnified Parties in connection therewith) and out-of-pocket expenses incurred by Indemnified Parties in connection therewith shall be paid by the Corporation as they occur.
- (g) The rights to indemnification provided in this Section 18 shall be in addition to and not in derogation of any other rights which the Underwriters may have by statute or otherwise at law.

## **19. Contribution**

- (a) In order to provide for just and equitable contribution in circumstances in which the indemnity provided in Section 18 hereof would otherwise be available in accordance with its terms but is, for any reason held to be illegal, unavailable to or unenforceable by the Indemnified Parties or enforceable otherwise than in accordance with its terms, the Corporation and the Underwriters shall contribute to the aggregate of all Losses of the nature contemplated in Section 18 hereof and suffered or incurred by the Indemnified Parties (i) in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation, on the one hand, and the Underwriters on the other hand, from the distribution of the Offered Securities, or (ii) if the allocation provided by (i) is not permitted by Applicable Law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Corporation, on the one hand, and the Underwriters, on the other hand, in respect of such Losses; provided that the Corporation shall not in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim in excess of such amount over the amount actually received by the Underwriters or any other Indemnified Party under this Agreement and further provided that the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of such total Underwriting Fee or any portion thereof actually received by the Underwriters. However, no party who has engaged in any fraud, fraudulent misrepresentation or wilful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment

shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation or wilful misconduct.

- (b) The relative benefits received by the Corporation, on the one hand, and the Underwriters, on the other hand, shall be deemed to be in the same ratio as the total proceeds from the Offering of the Offered Securities (net of the Underwriting Fee payable to the Underwriters but before deducting expenses) received by the Corporation is to the Underwriting Fee actually received by the Underwriters. The relative fault of the Corporation, on the one hand, and of the Underwriters, on the other hand, shall be determined by reference to, among other things, whether the matters or things referred to in Section 18 which resulted in such Claims and/or Losses relate to information supplied by or steps or actions taken or done or not taken or not done by or on behalf of the Corporation or to information supplied by or steps or actions taken or done or not taken or not done by or on behalf of the Underwriters and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing referred to in Section 18. The amount paid or payable by an Indemnified Party as a result of the Claims and/or Losses referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claims and/or Losses, whether or not resulting in an action, suit, proceeding or claim. The parties to this Agreement agree that it would not be just and equitable if contribution pursuant to this Section 19 were determined by any method of allocation which does not take into account the equitable considerations referred to in this Section 19.
- (c) The rights to contribution provided in this Section 19 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law.
- (d) If an Indemnified Party has reason to believe that a claim for contribution may arise, the Indemnified Party shall give the Corporation prompt notice thereof in writing, but failure to so notify shall not relieve the Corporation of any obligation which it may have to the Indemnified Party under this Section 19 provided that the Corporation is not materially and adversely prejudiced by such failure, and the right of the Corporation to assume the defence of such Indemnified Party shall apply as set out in Section 18 hereof, *mutatis mutandis*.

## **20. Expenses.**

The Corporation shall pay all reasonable out-of-pocket expenses and fees in connection with the Offering contemplated by this Agreement, including, without limitation: (i) all reasonable expense of or incidental to the creation, issue, sale or distribution of the Offered Securities; (ii) subject to the below, the reasonable fees and expenses of the Corporation's legal counsel plus disbursements and HST as well as local counsel fees, disbursements and taxes; (iii) all reasonable costs incurred in connection with the preparation of documentation relating to the Offering; and (iv) the reasonable fees of the Underwriters' legal counsel (up to a maximum of \$90,000) plus disbursements and HST as well as reasonable fees, disbursements and taxes. Notwithstanding the foregoing, the Underwriters shall pay up to \$10,000 of the reasonable expenses (inclusive of all taxes and disbursements) for legal counsel of the Corporation in connection with the sales of Offered Securities in international jurisdictions. All such fees and expenses incurred shall be payable as soon as reasonably practicable upon receiving an invoice therefor from the party incurring such fee and/or expense, and shall be payable whether or not the Offering or this Agreement is completed. At the option of the Underwriters and/or the Corporation, as applicable, such fees and expenses owed may be contemplated by the calculation of the net proceeds payable to the Corporation at Closing.

## 21. Underwriters' Obligations.

The Underwriters' obligations under this Agreement will be several and not joint or joint and several, and the Underwriters' respective obligations and rights and benefits hereunder will be as to the following percentages:

|                                     |   |     |
|-------------------------------------|---|-----|
| Mackie Research Capital Corporation | - | 50% |
| ATB Capital Markets Inc.            | - | 50% |

In the event that one of the Underwriters will terminate this Agreement or fail to purchase its applicable percentage of the aggregate amount of the Purchased Units (or the Additional Units, if the Over-Allotment Option is exercised) (the **"Defaulted Securities"**) at the Closing Time, the non-defaulting Underwriter will have the right, but not the obligation, to purchase all but not less than all of the Defaulted Securities upon the terms herein set forth. No action taken pursuant to this Section 21 will relieve any defaulting Underwriter(s) from liability in respect of its default to the Corporation or to any non-defaulting Underwriter. In the event of any such default which does not result in a termination of this Agreement, the non-defaulting Underwriter will have the right to postpone the Closing for a period not exceeding three days in order to determine to proceed. In the event that such right to purchase is not exercised, the non-defaulting Underwriter will be relieved of all obligations to the Corporation. Nothing herein will oblige the Corporation to sell less than all of the Offered Securities.

## 22. Underwriters' Authority.

The Corporation will be entitled to and will act on any notice, request, direction, consent, waiver, extension and other communication given or agreement entered into by or on behalf of the Underwriters and have authority to bind the Underwriters hereunder, other than with respect to any of the matters contemplated by Sections 14, 15, 16, 18, 19 and 21 hereof. In all cases, the Underwriters will use their best efforts to consult with each other prior to taking any action contemplated herein.

## 23. Notices.

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a **"notice"**) shall be in writing addressed as follows:

(a) if to the Corporation, to:

Harvest One Cannabis Inc.  
999 Canada Place, Suite 504  
Vancouver, British Columbia  
V6C 3E1

email: gdavey@harvestone.com  
Attention: Gord Davey

with a copy to (but not as notice to):

Aird & Berlis LLP  
181 Bay Street, Suite 1800  
Toronto, Ontario  
M5J 2T9

email: aleunglim@airdberlis.com  
Attention: Adria Leung Lim

(b) if to the Underwriters, to:

Mackie Research Capital Corporation  
199 Bay Street, Suite 4500  
Toronto, Ontario  
M5L 1G2

email: jreymer@mackieresearch.com  
Attention: Jeff Reymer

ATB Capital Markets Inc.  
66 Wellington Street West, Suite 2530  
Toronto, Ontario  
M5K 1A1

email: acarlson@atb.com  
Attention: Adam Carlson

with a copy (but not as notice) to:

Wildeboer Dellelce LLP  
Wildeboer Dellelce Place  
365 Bay Street, Suite 800  
Toronto, Ontario  
M5H 2V1

email: jhergott@wildlaw.ca  
Attention: Jeff Hergott

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

Each notice shall be personally delivered to the addressee or sent by electronic transmission to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first (1<sup>st</sup>) Business Day following the day on which it is delivered; and (ii) a notice which is sent by electronic transmission shall be deemed to be given and received on the (1<sup>st</sup>) Business Day following the day on which it is sent.

**24. Time of the Essence.** Time shall, in all respects, be of the essence hereof.

**25. 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, including, without limitation, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.

- 26. Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
- 27. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. In the event of any dispute regarding the Agreement, the parties hereto submit to the non-exclusive jurisdiction of the courts of the Province of Manitoba.
- 28. Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation and the Underwriters and their respective successors and permitted assigns; provided, however, that, except as provided herein, this Agreement will not be assignable by the Underwriters without the prior written consent of the Corporation.
- 29. 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.
- 30. Market Stabilization.** In connection with the distribution of the Offered Securities, the Underwriters 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 applicable Securities Laws of the Qualifying Provinces. Such stabilizing transactions, if any, may be discontinued by the Underwriters at any time.
- 31. No Fiduciary Duty.** The Corporation hereby acknowledges and agrees that: (a) the purchase and sale of the Offered Securities pursuant to this Agreement is an arm's-length commercial transaction between the Corporation, on the one hand, and the Underwriters and any affiliate through which they may be acting, on the other; (b) the Underwriters are acting as principals and not as fiduciaries of the Corporation; and (c) the engagement of the Underwriters by the Corporation in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgment in connection with the Offering (irrespective of whether the Underwriters has advised or are currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriters owe an agency, fiduciary or similar duty to the Corporation in connection with such transaction or the process leading thereto.
- 32. Activities of the Underwriters.** The Corporation acknowledges that the Underwriters and their affiliates carry on a range of businesses, and do or may, among other activities: (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 have had, and may in the future have, long or short positions in the securities of the Corporation 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 Corporation; (iii) may participate in securities transactions on a proprietary basis, including transactions in the Offering or other securities of the Corporation or related entities. The Corporation acknowledges that nothing herein shall restrict their ability to conduct business in the ordinary course and in compliance with Applicable Laws, and agrees that the Underwriters and their affiliates may hold such positions and effect such transactions without regard to the Corporation's interest under this Agreement.

- 33. Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.
- 34. Counterparts and Electronic Copies.** This Agreement may be executed in any number of counterparts and by facsimile or other electronic transmission, which taken together shall form one and the same agreement.
- 35. English Language.** The parties have expressly required this Agreement and all other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties ont expressément demandé que la présente convention ainsi que tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*

**[Remainder of Page Intentionally Left Blank]**

If the Corporation is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Underwriters.

Yours very truly,

**MACKIE RESEARCH CAPITAL  
CORPORATION**

Per: (signed) “Jeff Reymmer”  
Name: Jeff Reymmer  
Title: Managing Director

**ATB CAPITAL MARKETS INC.**

Per: (signed) “Adam Carlson”  
Name: Adam Carlson  
Title: Managing Director

The foregoing is hereby accepted on the terms and conditions therein set forth.

**DATED** as of the 2<sup>nd</sup> day of March, 2021.

**HARVEST ONE CANNABIS INC.**

Per: (signed) “Gord Davey”  
Name: Gord Davey  
Title: Chief Executive Officer