

UNDERWRITING AGREEMENT

February 9, 2021

Red Light Holland Corp.  
1 Adelaide Street East, Suite 801  
Toronto, Ontario  
M5C 2V9

**Attention: Todd Shapiro**  
**Chief Executive Officer**

Dear Mesdames/Sirs:

Eight Capital, as sole bookrunner and underwriter, (the “**Underwriter**”) hereby offers to purchase from Red Light Holland Corp. (the “**Corporation**”) and the Corporation hereby agrees to issue and sell to the Underwriter, 23,000,000 units of the Corporation (the “**Base Units**”), on an underwritten basis, at the purchase price of \$0.44 per Base Unit (the “**Offering Price**”), for aggregate gross proceeds of \$10,120,000. Each Unit (as defined herein) shall be comprised of one Common Share (as defined herein) (each, a “**Unit Share**”) and one Common Share purchase warrant (each, a “**Warrant**”). Each Warrant shall entitle the holder thereof to acquire one Common Share (a “**Warrant Share**”) at an exercise price of \$0.70 until the Expiry Date (as defined herein).

The Underwriter may arrange for substituted purchasers (the “**Substituted Purchasers**”) for the Units, where such Substituted Purchasers are resident in the Selling Jurisdictions (as defined herein). Each Substituted Purchaser shall purchase the Units at the Offering Price, and to the extent that Substituted Purchasers purchase Units, the obligations of the Underwriter to do so will be reduced by the number of Units purchased by the Substituted Purchasers from the Corporation.

The Corporation hereby grants to the Underwriter an option (the “**Over-Allotment Option**”) to purchase up to an additional 3,450,000 Units (the “**Additional Units**”) at the Offering Price for additional gross proceeds of up to \$1,518,000 upon the terms and conditions set forth herein for the purpose of covering over-allotments, if any, made in connection with the Offering (as defined herein) and for market stabilization purposes. The Over-Allotment Option in respect of the Additional Units may be exercised by the Underwriter: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire additional Unit Shares (the “**Additional Shares**”) at a price of \$0.3994 per Additional Share; or (iii) to acquire additional Warrants (the “**Additional Warrants**”) at a price of \$0.0406 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Shares and Additional Warrants, so long as the aggregate number of Additional Shares and Additional Warrants that may be issued under such Over-Allotment Option does not exceed 3,450,000 Additional Shares and 3,450,000 Additional Warrants. The Over-Allotment Option shall be exercisable, in whole or in part, and from time to time, by the Underwriter, for a period of 30 days from and including the Closing Date (as defined herein) by giving written notice to the Corporation, as more particularly described in Section 12 hereof. Pursuant to such notice, the Underwriter shall purchase, and the Corporation shall deliver and sell, the number of Additional Units indicated in such notice, in accordance with this Agreement.

The Base Units and the Additional Units are collectively referred to herein as the “**Units**” and the offering of the Units by the Corporation is hereinafter referred to as the “**Offering**”. Unless the context requires otherwise, references herein to the “**Unit Shares**”, “**Warrants**” and “**Warrant Shares**” shall assume the exercise of the Over-Allotment Option and include all additional securities issuable thereunder.

The Units may be offered and sold in the United States (as defined herein) and to, or for the account or benefit of, U.S. Persons (as defined herein) by the Underwriter, acting through their U.S. Affiliate (as defined herein) in the following manner. The Underwriter may offer and resell the Units to Qualified Institutional Buyers (as defined herein) in the United States and to, or for the account or benefit of, U.S. Persons on a private placement basis pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A (as defined herein) in compliance with Schedule “C” attached hereto which forms a part of this Agreement.

Subject to applicable law, including applicable Securities Laws (as defined herein), and subject to the terms of this Agreement, the Units may also be distributed outside of Canada and the United States in each jurisdiction as mutually agreed to by the Corporation and the Underwriter where they may be lawfully sold by the Underwriter without: (i) giving rise to any requirement under the laws of such jurisdiction to prepare and/or file a prospectus or document having similar effect; (ii) creating any ongoing compliance or continuous disclosure obligations for the Corporation pursuant to the laws of such jurisdiction; or (iii) imposing any filing fee or other regulatory financial obligation whatsoever on the Corporation.

The Underwriter shall be entitled to appoint a selling group consisting of other registered investment dealers and brokers (the “**Selling Group**”) in accordance with applicable Securities Laws for the purposes of arranging for Purchasers of the Units. Any investment dealer or broker who is a member of any Selling Group formed by the Underwriter pursuant to the provisions of this Agreement or with whom the Underwriter has a contractual relationship with respect to the Offering, if any, shall agree with such Underwriter to comply with the covenants and obligations given by the Underwriter herein. The fee payable to any such investment dealer or broker who is a member of any Selling Group shall be for the account of the Underwriter.

The Underwriter may offer the Units at a price less than the Offering Price as described in further detail in Section 18 hereof, in compliance with Canadian Securities Laws (as defined herein) and, specifically, the requirements of NI 44-101 (as defined herein) and the disclosure concerning the same contained in the Prospectus (as defined herein); without, for the avoidance of doubt, diminishing the Underwriter’s obligations hereunder, including the obligation to pay the Offering Price per Unit to the Corporation.

In consideration of the services to be rendered by the Underwriter in connection with the Offering, the Corporation agrees to pay to the Underwriter the Commission (as defined herein) and to issue and deliver to the Underwriter the Compensation Options (as defined herein) in such amounts and with such terms as set out in Section 14 hereof. The obligation of the Corporation to pay the Commission and issue and deliver the Compensation Options shall arise at the Closing Time (as defined herein) and the Commission and the Compensation Options shall be fully earned by the Underwriter upon the completion of the Offering.

## **TERMS AND CONDITIONS**

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

### **Section 1      Definitions and Interpretation**

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

“**Act**” means the *Business Corporations Act* (Ontario);

“**Additional Securities**” means, collectively, the Additional Units, the Additional Shares and the Additional Warrants;

“**Additional Shares**” has the meaning ascribed thereto in the third paragraph of this Agreement;

“**Additional Units**” has the meaning ascribed thereto in the third paragraph of this Agreement;

“**Additional Warrants**” has the meaning ascribed thereto in the third paragraph of this Agreement;

“**affiliate**”, “**associate**”, “**distribution**” “**insider**”, “**material change**”, “**material fact**”, “**misrepresentation**” and “**person**” have the respective meanings ascribed thereto in the Securities Act;

“**Agreement**” means this underwriting agreement, as it may be amended from time to time;

“**Applicable Laws**” means all applicable laws, rules, regulations, policies, statutes, ordinances, codes, orders, consents, decrees, judgments, decisions, rulings, awards, or guidelines, the terms and conditions of any Authorizations, including any judicial or administrative interpretation thereof, of any Governmental Entity, including the Dutch Opium Act (Opiumwet);

“**Auditors**” means McGovern Hurley LLP;

“**Authorizations**” means any regulatory licences, approvals, permits, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Entity, including under Applicable Laws, including Environmental Laws;

“**Base Units**” has the meaning ascribed thereto in the first paragraph of this Agreement;

“**Business**” means the business of producing, growing, developing, harvesting, selling, supplying and distributing premium brand psilocybin (magic) truffles within the legal and recreational market in the Netherlands, including all marketing, branding, advertising and other related activities, including scientific research and development activities, and the development and operation of all websites, e-commerce platforms, virtual reality platforms, reality applications, digital care platforms and systems in connection therewith and as further described in the Offering Documents;

“**Business Assets**” means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated or being developed or used, including all intellectual property and related technologies, real property, fixed assets, facilities, equipment, inventories and accounts receivable, by the Corporation and the Material Subsidiaries in connection with the Business, including the Facility;

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

“**Business Combination**” means the business combination completed by the Corporation with Red Light Holland Financing Inc. and Red Light Holland Debt Inc., both wholly-owned subsidiaries of the Corporation, by way of two three-cornered amalgamations, which was completed on May 22, 2020;

**“Canadian Securities Laws”** means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions, including the rules and policies of the Stock Exchange;

**“Claims”** has the meaning ascribed to such term in Section 13 hereof;

**“Closing”** means the completion of the issuance and sale of the Units by the Corporation and the purchase by the Underwriter of the Units pursuant to this Agreement;

**“Closing Date”** means the date on which the Closing shall occur, being February 24, 2021 or such earlier or later date as may be agreed to in writing by the Corporation and the Underwriter, each acting reasonably;

**“Closing Time”** means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as may be agreed to by the Corporation and the Underwriter;

**“Commission”** has the meaning ascribed to such term in Section 14 hereof;

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

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

**“Compensation Options”** has the meaning ascribed to such term in Section 14 hereof;

**“Compensation Securities”** means collectively, the Compensation Options, the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares;

**“Compensation Share”** has the meaning ascribed to such term in Section 14 hereof;

**“Compensation Warrant”** has the meaning ascribed to such term in Section 14 hereof;

**“Compensation Warrant Shares”** has the meaning ascribed to such term in Section 14 hereof;

**“Continuous Disclosure Review Documents”** means collectively, the letters dated October 15, 2020, November 17, 2020, November 23, 2020, December 17, 2020, January 11, 2021 and January 29, 2021, from the Principal Regulator in connection with its continuous disclosure review of the Corporation;

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

**“COVID-19 Outbreak”** has the meaning ascribed to such term in Section 7(qqq) hereof;

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

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

**“Early Expiry Date”** means the 30<sup>th</sup> day following the date of the Early Expiry Notice provided by the Corporation to holders of the Warrants;

**“Early Expiry Event”** means the occurrence, at any time following the Closing Date, of the daily volume weighted average trading price of the Common Shares on the Stock Exchange for any 10 consecutive days being equal to or exceeding \$1.52 per Common Share;

**“Early Expiry Notice”** means a written notice sent by the Corporation advising the holders of Warrants of an Early Expiry Event, such notice to be sent within 10 days following such Early Expiry Event;

**“Employee Plans”** has the meaning ascribed to such term in Section 7(nnn) hereof;

**“Environmental Laws”** means all Applicable Laws relating to the protection of the environment or environmental issues (including air, surface, water and stratospheric matters), the protection of occupational and human health and safety, including without limitation the treatment, use, processing, manufacture, storage, disposal, discharge, release, threatened release, transport, distribution or handling of Hazardous Materials;

**“Expiry Date”** means the earlier of (i) the date that is 36 months following the Closing Date, and (ii) the Early Expiry Date;

**“Facility”** means, the Corporation’s approximately 3,000 square foot, custom built, indoor growing, production and distribution facility located in Horst, the Netherlands;

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

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

**“Financial Statements”** means, collectively, (i) the audited annual consolidated financial statements of the Corporation as at and for the years ended March 31, 2020 and 2019, together with the notes thereto and the Auditors’ report thereon; and (ii) the amended and restated unaudited interim condensed consolidated financial statements of the Corporation as at and for the three and six months ended September 30, 2020 and 2019, together with the notes thereto (as re-filed on January 13, 2021);

**“Government Official”** means (i) any official, officer, employee or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Entity, (ii) any salaried political party official, elected member of political office or candidate for political office, or (iii)

any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;

**“Governmental Entity”** means any (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board, or authority of any of the foregoing, (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing, or (iv) any stock exchange or securities regulatory authority;

**“Hazardous Materials”** means any pollutants, contaminants, chemicals, fluids, wastes, toxic or hazardous substances, including petroleum or petroleum products;

**“Industry Partners”** means collectively, Xena-it.nl B.V. (dba McSmart), Interrobang Ltd., a wholly-owned subsidiary of PharmaDrug Inc. (dba Super Smart), SR-Wholesale B.V. and an operator of a smart shop under the name “House of Smart”;

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

**“including”** means including but not limited to;

**“Indemnified Party”** or **“Indemnified Parties”** have the meanings ascribed to such terms in Section 13 hereof;

**“Indemnitor”** has the meaning ascribed to such term in Section 13 hereof;

**“intellectual property”** has the meaning ascribed to such term in Section 7(iii) hereof;

**“Leased Premises”** means the premises which the Corporation or any Subsidiary occupies as a tenant, including the Facility;

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

**“Losses”** has the meaning ascribed to such term in Section 13 hereof;

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

**“Material Adverse Effect”** means any event, change, fact, or state of being which could reasonably be expected to have a significant and adverse effect on the business, affairs, capital, operation, properties, permits, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of the Corporation on a consolidated basis;

**“Material Agreement”** means any and all contracts, commitments, agreements (written or oral), instruments, leases or other documents, including any option, licence, sub-license, supply,

purchase, sale, manufacturing, distribution, branding, marketing, strategic partnership, joint venture agreement, or any other similar type agreements, to which the Corporation or any of the Material Subsidiaries is a party or to which their Business Assets are otherwise bound, and which is material to the Corporation on a consolidated basis;

“**Material Subsidiaries**” means Red Light Holland (Subco 1) Inc., existing under the laws of the Province of Ontario and RLH Netherlands B.V., existing under the laws of the Netherlands;

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

“**Money Laundering Laws**” has the meaning ascribed to such term in Section 7(cc) hereof;

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

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

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

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

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

“**OFAC**” has the meaning ascribed to such term in Section 7(dd) hereof;

“**Offered Securities**” means, collectively, the Units, the Unit Shares, the Warrants and the Warrant Shares;

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

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

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

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

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

“**Preliminary Prospectus**” means the preliminary short form prospectus of the Corporation dated February 9, 2021, including all of the Documents Incorporated by Reference and any Supplementary Material thereto, prepared and filed by the Corporation in accordance with the Passport System and NI 44-101 in the Qualifying Jurisdictions in respect of the Offering and for which a Preliminary Receipt has been issued;

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

“**Preliminary U.S. Private Placement Memorandum**” has the meaning ascribed thereto in Schedule “C” attached to this Agreement;

“**Principal Regulator**” means the Ontario Securities Commission;

“**Prospectus**” means, collectively, the Preliminary Prospectus and the Final Prospectus;

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

“**Public Disclosure Documents**” means, collectively, all of the documents which have been filed on [www.sedar.com](http://www.sedar.com) by or on behalf of the Corporation with the Securities Commissions pursuant to the requirements of Canadian Securities Laws;

“**Purchasers**” means, collectively, each of the purchasers of Units arranged by the Underwriter, including the Substituted Purchasers, in connection with the Offering, including, if applicable, the Underwriter;

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act;

“**Qualifying Jurisdictions**” means all of the provinces of Canada, other than Quebec;

“**Regulation S**” means Regulation S promulgated by the Securities and Exchange Commission under the U.S. Securities Act;

“**Reporting Jurisdictions**” means the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia;

“**Rule 144A**” means Rule 144A promulgated by the Securities and Exchange Commission under the U.S. Securities Act;

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

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

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

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

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

“**Selling Group**” has the meaning ascribed thereto in seventh paragraph of this Agreement;



“**Selling Jurisdictions**” means, collectively, each of the Qualifying Jurisdictions and any other jurisdictions outside of Canada and the United States as mutually agreed to by the Corporation and the Underwriter;

“**Standard Term Sheets**” means together, (i) the term sheet dated February 3, 2021 for the offering of units for aggregate gross proceeds of \$5,060,000 and (ii) the amended term sheet dated February 3, 2021 for the Offering, each as agreed to between the Corporation and the Underwriter;

“**Stock Exchange**” means the Canadian Securities Exchange;

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

“**Substituted Purchasers**” has the meaning ascribed thereto in the second paragraph of this Agreement;

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

“**Taxes**” has the meaning ascribed to such term in Section 7(aa) hereof;

“**to the knowledge of the Corporation**” means the actual knowledge of the current directors and officers of the Corporation, after reasonable enquiry;

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

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

“**Underwriter**” has the meaning ascribed thereto in the first paragraph of this Agreement;

“**Unit Shares**” has the meaning ascribed thereto in the fourth paragraph of this Agreement;

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

“**Units**” has the meaning ascribed thereto in the fourth paragraph of this Agreement;

“**U.S. Affiliate**” means the duly registered United States broker-dealer affiliate of an Underwriter;

“**U.S. Person**” means “U.S. person” as defined in Rule 902 of Regulation S;

“**U.S. Private Placement Memorandum**” has the meaning ascribed thereto in Schedule “C” attached to this Agreement;

“**U.S. Exchange Act**” means the United States Exchange Act of 1934, as amended;

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

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

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

**“Warrant Agent”** means TSX Trust Company, in its capacity as warrant agent in respect of the Warrants, at its principal office in Toronto, Ontario;

**“Warrant Indenture”** means the warrant indenture to be entered into on the Closing Date between the Warrant Agent and the Corporation in relation to the Warrants, as amended from time to time; and

**“Warrant Share”** has the meaning ascribed thereto in the fourth paragraph of this Agreement.

- (2) Any reference in this Agreement to a section or subsection shall refer to a section or subsection of this Agreement.
- (3) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.
- (4) Any reference in this Agreement to \$ or to “dollars” shall refer to the lawful currency of Canada, unless otherwise specified.
- (5) The following are the schedules to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule “A” Subsidiaries

Schedule “B” Existing Rights

Schedule “C” Compliance with United States Securities Laws

## **Section 2 Attributes of the Offered Securities.**

The Offered Securities to be sold by the Corporation hereunder shall have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions set forth in the Offering Documents.

## **Section 3 Filing of Prospectus.**

- (1) The Corporation shall:
  - (a) not later than 4:00 p.m. (Toronto time) on the date hereof, have filed the Preliminary Prospectus pursuant to the Passport System with the Securities Commissions and obtained a Preliminary Receipt in respect thereof;
  - (b) promptly (i) use its commercially reasonable efforts to resolve all comments made and deficiencies raised in respect of the Preliminary Prospectus by the Principal Regulator, and (ii) file the Final Prospectus and obtain a Final Receipt not later than 4:00 p.m. (Toronto time) on February 17, 2021, and otherwise fulfill all legal requirements to qualify the Units for distribution to the public in the Qualifying Jurisdictions through the

Underwriter or any other investment dealer or broker registered to transact such business in the applicable Qualifying Jurisdictions contracting with the Underwriter, and to qualify the grant of the Over-Allotment Option; and

- (c) until the date on which the distribution of the Units is completed, promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Units for sale to the public and the grant of the Over-Allotment Option to the Underwriter or, in the event that the Units or the Over-Allotment Option have, for any reason, ceased to so qualify, to again so qualify the Units and the Over-Allotment Option.
- (2) Prior to the filing of the Offering Documents and thereafter, during the period of distribution of the Units, the Corporation shall have allowed the Underwriter to participate fully in the preparation of, and to approve the form and content of, such documents and shall have allowed the Underwriter to conduct all due diligence investigations (which shall include the attendance of management of the Corporation, the Auditors, legal counsel and any experts or other consultants requested by the Underwriter at one or more due diligence sessions to be held) which they may reasonably require in order to (i) fulfill their obligations as underwriters under Securities Laws, (ii) enable them to avail themselves of a defence to any claim for misrepresentation in the Prospectus, and (iii) enable them to responsibly execute the certificate required to be executed by them at the end of the Prospectus.

#### **Section 4 Deliveries on Filing and Related Matters.**

- (1) The Corporation shall deliver to the Underwriter:
- (a) prior to the time of each filing thereof, a copy of the Preliminary Prospectus and the Final Prospectus each signed on behalf of the Corporation, by the persons and in the form signed and certified as required by Canadian Securities Laws;
  - (b) prior to the time of filing thereof, a copy of any Supplementary Material, or other document required to be filed with or delivered to, the Securities Commissions by the Corporation under Canadian Securities Laws in connection with the Offering, including any document incorporated by reference in the Final Prospectus (other than documents already filed publicly with a Securities Commission);
  - (c) prior to the time of filing each Prospectus, a copy of the Preliminary U.S. Private Placement Memorandum and the U.S. Private Placement Memorandum, as applicable;
  - (d) prior to or concurrently with the filing of the Final Prospectus with the Securities Commissions, a “long-form” comfort letter of the Auditors, dated the date of the Final Prospectus (with the requisite procedures to be completed by such Auditors within two Business Days of the date of such letters), in form and substance satisfactory to the Underwriter, acting reasonably, addressed to the Underwriter, the Corporation and the board of directors of the Corporation, with respect to the verification of financial and accounting information and other numerical data of a financial nature contained in the Final Prospectus (including all Documents Incorporated by Reference) and matters involving changes or developments since the respective dates as of which specific financial information is given therein which letters shall be in addition to the Auditors’ consent letter and comfort letter (if any) addressed to the Securities Commissions; and

- (e) prior to the filing of the Final Prospectus with the Securities Commissions, a copy of the Stock Exchange conditional approval letter indicating that the application for the listing and posting for trading on the Stock Exchange of the Unit Shares, Warrants (subject to meeting distribution requirements of the Stock Exchange), Warrant Shares, Compensation Shares, Compensation Warrants (subject to meeting distribution requirements for the Warrants) and Compensation Warrant Shares have been approved, subject only to satisfaction by the Corporation of the customary post-closing conditions as specified by the Stock Exchange.

Unless otherwise advised in writing, such deliveries shall also constitute the Corporation's consent to the Underwriter's use of the Offering Documents, the Preliminary U.S. Private Placement Memorandum and the U.S. Private Placement Memorandum in connection with the offer and sale of the Units in compliance with this Agreement and Securities Laws.

- (2) The Corporation represents and warrants to the Underwriter with respect to the Offering Documents that as at their respective dates of delivery to the Underwriter as set out in Section 4(1) hereof:
  - (a) all information and statements in such documents (including information and statements incorporated by reference to the extent they have not been superseded by the information and statements in the Offering Documents) (except information and statements relating solely to the Underwriter and furnished by them specifically for use in a Prospectus) are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation, the Offering, the Offered Securities and the Compensation Securities, as required by Canadian Securities Laws;
  - (b) no material fact or information in such documents (including information and statements incorporated by reference) (except information and statements relating solely to the Underwriter and furnished by them specifically for use in a Prospectus) has been omitted therefrom which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and
  - (c) except with respect to information and statements relating solely to the Underwriter and furnished by them specifically for use in a Prospectus, the Prospectus and any Supplementary Material comply fully with the requirements of the Canadian Securities Laws.
- (3) The Corporation shall cause commercial copies of the Preliminary Prospectus, the Final Prospectus, the Preliminary U.S. Private Placement Memorandum and the U.S. Private Placement Memorandum, as the case may be, to be delivered to the Underwriter without charge, in such quantities and in such cities as the Underwriter may reasonably request by written instructions to the printer of such documents as soon as possible after obtaining the Preliminary Receipt or the Final Receipt, as the case may be, but, in any event on or before noon (Toronto time) on the next Business Day (or for delivery locations outside of Toronto, on the second Business Day) after obtaining the Preliminary Receipt or the Final Receipt, as the case may be. Such deliveries shall constitute the consent of the Corporation to the Underwriter's use of the Preliminary Prospectus and the Final Prospectus for the distribution of the Units in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Canadian Securities Laws and to the use of the Preliminary U.S. Private Placement Memorandum and the U.S. Private Placement

Memorandum in compliance with the provisions of this Agreement and U.S. Securities Laws. The Corporation shall similarly cause to be delivered commercial copies of any Supplementary Material and hereby similarly consents to the Underwriter's use thereof. The Corporation shall cause to be provided to the Underwriter, without cost, such number of copies of any Documents Incorporated by Reference as the Underwriter may reasonably request for use in connection with the distribution of the Units.

- (4) In connection with marketing materials:
- (a) each of the Corporation and the Underwriter have approved the Standard Term Sheets and the Corporation and the Underwriter have not provided any marketing materials to any potential investors in connection with the Offering and the only materials provided to potential investors were the Standard Term Sheets, each of which is a "standard term sheet" (as such term is defined in NI 41-101);
  - (b) during and prior to the completion of the distribution, the Corporation and the Underwriter each covenant and agree that it will not provide any potential Purchaser of Units with any marketing materials except for marketing materials that comply with Canadian Securities Laws and the versions (or template versions) of which will have been approved in accordance with Canadian Securities Laws; and
  - (c) during and prior to the completion of the distribution, the Corporation will, if requested, cooperate with and assist, acting reasonably, the Underwriter in marketing the Offering, including in connection with the preparation of marketing materials to be used by the Underwriter in connection with the Offering and will file with and deliver to the Securities Commissions such versions (or template versions) which shall have been approved in accordance with Canadian Securities Laws.
- (5) In order to comply with U.S. Securities Laws, and subject to compliance with Canadian Securities Laws, during the period commencing on the date hereof and until completion of the distribution of the Units, the Corporation will promptly provide to the Underwriter drafts of any press releases of the Corporation for review by the Underwriter prior to issuance and shall obtain the prior approval of the Underwriter as to the content and form of any press release relating to the Offering prior to issuance, such approval not to be unreasonably withheld or delayed. Any press release announcing or otherwise referring to the Offering disseminated outside the United States shall include an appropriate notation on the face page substantially as follows: "*Not for distribution to the U.S. news wire services, or dissemination in the United States*", and shall include substantially the following language: "This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws."

## **Section 5      Material Change.**

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

- (a) any material change (actual, anticipated, contemplated or threatened) in respect of the Corporation considered on a consolidated basis;
- (b) any material fact in respect of the Corporation considered on a consolidated basis which has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such document; and
- (c) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Offering Documents which fact or change is, or may be, of such a nature as to render any statement in such Offering Document misleading or untrue in any material respect or which would result in a misrepresentation in the Offering Document or which would result in any of the Offering Documents not complying (to the extent that such compliance is required) with Securities Laws.

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

- (2) If during the period of distribution of the Units there shall be any change in Canadian Securities Laws or other laws which results in any requirement to file Supplementary Material, the Corporation will promptly prepare and file such Supplementary Material with the appropriate Securities Commissions where such filing is required, provided that the Corporation shall have allowed the Underwriter and its counsel to participate in the preparation and review of any Supplementary Material.
- (3) During the period from the date of this Agreement to the completion of the distribution of the Units, the Corporation will notify the Underwriter promptly:
  - (a) when any supplement to any of the Offering Documents or any Supplementary Material shall have been filed;
  - (b) of any request by any Securities Commission to amend or supplement the Prospectus or for additional information;
  - (c) of the suspension of the qualification of the Units, the Over-Allotment Option or the Compensation Options for offering, sale, issuance, or grant, as applicable, in any jurisdiction, or of any order suspending or preventing the use of the Offering Documents (or any Supplementary Material) or of the institution or, to the knowledge of the Corporation, threatening of any proceedings for any such purpose; and
  - (d) of the issuance by any Securities Commission or any stock exchange of any order having the effect of ceasing or suspending the distribution of the Units or the trading in any securities of the Corporation, or of the institution or, to the knowledge of the Corporation,

threatening of any proceeding for any such purpose. The Corporation will use its reasonable best efforts to prevent the issuance of any such stop order or of any order preventing or suspending such use or any order ceasing or suspending the distribution of the Units or the trading in any securities of the Corporation and, if any such order is issued, to obtain the lifting thereof at the earliest possible time.

## **Section 6 Regulatory Approvals.**

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

## **Section 7 Representations and Warranties of the Corporation.**

The Corporation represents and warrants to each of the Underwriter, and acknowledges that each of them is relying upon such representations and warranties in connection with the purchase of the Units, that:

### General Matters

- (a) *Good Standing of the Corporation.* The Corporation (i) has been duly incorporated under the Act and is up-to-date in all material corporate filings and in good standing under the Act; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets, including the Business Assets; and (iii) has all requisite corporate power and authority to create, issue and sell the Offered Securities and Compensation Securities, to grant the Over-Allotment Option and to enter into and carry out its obligations under the Transaction Documents.
- (b) *Good Standing and Ownership of Subsidiaries.* The Corporation's only subsidiaries are those set forth in Schedule "A" hereto. Each of such subsidiaries is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets, including the Business Assets. The Corporation's direct or indirect percentage ownership of the outstanding shares of such subsidiaries is accurately disclosed in Schedule "A" hereto, and all such shares are legally and beneficially owned by the Corporation, free and clear of all Liens or demands of any kind whatsoever, and all of such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares (or the equivalent legal concept in another jurisdiction) and no Person has any right, agreement or option or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the subsidiaries or any other security convertible into or exchangeable for any such shares. The only subsidiaries that are material to the Corporation are the Material Subsidiaries, and none of the other subsidiaries are material, carry on any business, or hold any material assets or liabilities.

- (c) *Carrying on Business.* The Corporation and each of the Material Subsidiaries is, in all material respects, conducting its business in compliance with all Applicable Laws of each jurisdiction in which its business is carried on and is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its properties or assets or carries on business to enable its business to be carried on as now conducted or proposed to be conducted and its properties and assets to be owned, leased and operated and all such Authorizations are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Applicable Laws or Authorizations. Neither the Corporation nor any subsidiary is aware of any legislation, or proposed legislation published by any Governmental Entity, which it anticipates will have a Material Adverse Effect.
- (d) *No Proceedings for Dissolution.* No proceedings have been taken, instituted or, are pending for the dissolution, liquidation or winding up of the Corporation or any of the Material Subsidiaries.
- (e) *Freedom to Compete.* Other than as set out in an advisory agreement dated May 26, 2020, neither the Corporation nor any of the subsidiaries is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Corporation or any of the subsidiaries to compete in any line of business, transfer or move any of its assets or operations or which would have a Material Adverse Effect.
- (f) *Share Capital of the Corporation.* The authorized capital of the Corporation consists of an unlimited number of Common Shares of which, as of the close of business on February 8, 2021, 302,993,191 Common Shares were outstanding as fully paid and non-assessable shares in the capital of the Corporation. The description of the attributes of the authorized and issued share capital of the Corporation as set out under the heading “Description of Securities Being Distributed” in the Prospectus is true and correct.
- (g) *Absence of Rights.* Except as referred to in Schedule “B” hereto, no Person now has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Corporation and the Offered Securities, upon issuance, will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation.
- (h) *Common Shares are Listed.* The issued and outstanding Common Shares are listed and posted for trading on the Stock Exchange and the Frankfurt Exchange and no order ceasing or suspending trading in the Common Shares or prohibiting the sale of the Offered Securities or the issuance of the Compensation Securities has been issued and to the knowledge of the Corporation, no proceedings for such purpose has been threatened or are pending.
- (i) *Stock Exchange Compliance.* The Corporation has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the Stock Exchange or Frankfurt Exchange and the Corporation is currently in compliance with the rules and policies of the Stock Exchange and the Frankfurt Exchange.



- (j) *Reporting Issuer Status.* The Corporation is a “reporting issuer”, not included in a list of defaulting reporting issuers maintained by the securities regulators in the Reporting Jurisdictions, and the Corporation has complied with its obligations to make timely disclosure of all material changes and material facts relating to it and there is no material change or material fact relating to the Corporation which has occurred and with respect to which the requisite news release has not been disseminated or material change report, as applicable, has not been filed with the securities regulators in the Reporting Jurisdictions. Upon receiving the Final Receipt and at the Closing Time, the Corporation will be a “reporting issuer” in each of the Qualifying Jurisdictions, not included in a list of defaulting reporting issuers maintained by the Securities Commissions and will not be in default of any requirement under Canadian Securities Laws.
- (k) *No Voting Control.* The Corporation is not a party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation.
- (l) *Transfer Agent.* The Transfer Agent at its principal office in Toronto, Ontario has been duly appointed as the registrar and transfer agent in respect of the Common Shares.
- (m) *Material Agreements.* All Material Agreements have been disclosed in the Offering Documents and each is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Corporation and each of the Material Subsidiaries has performed all obligations (including payment obligations) in a timely manner under, and are in compliance with all terms and conditions contained in each Material Agreement. The Corporation and each of the Material Subsidiaries is not in violation, breach or default nor has it received any notification from any party claiming that the Corporation or any of the Material Subsidiaries are in violation, breach or default under any Material Agreement and no other party, to the knowledge of the Corporation, is in breach, violation or default of any term under any Material Agreement.
- (n) *Absence of Debt Instruments.* The Corporation and the Material Subsidiaries are not party to any other Debt Instrument or any agreement, contract or commitment to create, assume or issue any debt instrument and neither the Corporation nor any Material Subsidiary has made any loans to, or guaranteed the obligations of, any Person.
- (o) *Absence of Breach or Default.* Neither the Corporation nor any Material Subsidiary is in breach or default of, and the execution and delivery of the Transaction Documents and the performance by the Corporation of its obligations hereunder or thereunder, the issue and sale of the Offered Securities, the Compensation Securities, the grant of the Over-Allotment Option and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) any statute, rule or regulation applicable to the Corporation or any of the Material Subsidiaries, including Securities Laws; (B) the constating documents or resolutions of the directors (including of committees thereof) or shareholders of the Corporation and each of the Material Subsidiaries which are in effect at the date of hereof; (C) any Material Agreement or Debt Instrument; or (D) any judgment, decree or order binding the Corporation, any of the Material Subsidiaries or the properties or assets of the Corporation or the Material Subsidiaries.

- (p) *No Actions or Proceedings.* There are no material claims (including product liability claims), actions, proceedings or investigations (whether or not purportedly by or on behalf of the Corporation) currently outstanding, or to the knowledge of the Corporation, threatened or pending, against the Corporation or any of the subsidiaries at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any Governmental Entity. There are no judgments or orders against the Corporation or any of the Material Subsidiaries which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation, the subsidiaries or its properties or assets are subject, or to the knowledge of the Corporation, that are threatened or pending.
- (q) *Financial Statements.* The Financial Statements, contain no misrepresentations, present fairly, in all material respects, the financial position of the Corporation (on a consolidated basis) as at and for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation. The Financial Statements have been prepared in accordance with IFRS, applied on a consistent basis throughout the periods involved and there has been no change in accounting policies or practices of the Corporation since March 31, 2020, other than as required by IFRS and as disclosed in the applicable Financial Statements.
- (r) *No Material Changes.* Since March 31, 2020, except as disclosed in the Offering Documents and in connection with the Business Combination:
- (i) there has not been any material change in the assets, properties, affairs, prospects, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Corporation or any subsidiary, as applicable;
  - (ii) there has not been any material change in the capital stock or long-term debt of the Corporation or any subsidiary, as applicable; and
  - (iii) the Corporation and each Material Subsidiary, as applicable, has carried on its business in the ordinary course.
- (s) *No Off-Balance Sheet Arrangements.* There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Corporation or any subsidiary which are required to be disclosed and are not disclosed or reflected in the Financial Statements.
- (t) *Internal Accounting Controls.* The Corporation and each Material Subsidiary maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (u) *Accounting Policies.* There has been no change in accounting policies or practices of the Corporation or the subsidiaries since March 31, 2020, other than as disclosed in the Financial Statements.

- (v) *Purchases and Sales.* Other than as disclosed in the Offering Documents or the Public Disclosure Documents, neither the Corporation nor any subsidiary has approved, entered into any agreement in respect of, or has any knowledge of:
  - (i) the purchase of any material property or any interest therein, or the sale, transfer or other disposition of any material property or any interest therein currently owned, directly or indirectly, by the Corporation or any subsidiary whether by asset sale, transfer of shares, or otherwise;
  - (ii) the change of control (by sale or transfer of voting or equity securities or sale of all or substantially all of the assets of the Corporation or any subsidiary or otherwise) of the Corporation or any subsidiary; or
  - (iii) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares.
- (w) *Previous Corporate Transactions.* All previous corporate transactions completed by the Corporation or the subsidiaries of any securities, business or assets of any other entity, including the Business Combination, have been fully and properly disclosed in the Public Disclosure Documents, were completed in material compliance with all applicable corporate and securities laws and all necessary corporate and regulatory approvals, consents, authorizations, registrations, and filings required in connection therewith were obtained or made, other than those which the failure to make or obtain would not individually or in the aggregate have a Material Adverse Effect, and complied with in all material respects; the Corporation conducted all due diligence procedures in connection with such previous transactions as are standard and customary for transactions of such nature, and the Corporation conducted all necessary procedures in accordance with its internal programs to identify and address any material issues prior to such transactions.
- (x) *No Loans or Non-Arm's Length Transactions.* Neither the Corporation nor any subsidiary is a party to any Debt Instrument or has any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any Person not dealing at arm's length with the Corporation or any subsidiary.
- (y) *Dividends.* There is not, in the constating documents (or equivalent organizational or governing documents) or in any Material Agreement, Debt Instrument, or other instrument or document to which the Corporation or any subsidiary is a party, any restriction upon or impediment to, the declaration of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of the Common Shares.
- (z) *Independent Auditors.* The Auditors who reported on and certified, or reviewed, the Financial Statements, as the case may be, are independent public accountants as required by applicable Canadian Securities Laws, and there has not been any "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with respect to the present or any former auditor of the Corporation.
- (aa) *Taxes.* 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 each subsidiary have been paid. All tax returns, declarations, remittances and filings required to be filed by the Corporation or a subsidiary have been filed with all appropriate governmental 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. To the knowledge of the Corporation, no examination of any tax return of the Corporation or any subsidiary is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by the Corporation or a subsidiary, except where such examinations, issues or disputes, individually or collectively, would not have a Material Adverse Effect.

- (bb) *Anti-Bribery Laws.* Neither the Corporation nor any subsidiary nor, to the knowledge of the Corporation, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to the Corporation or any subsidiary, including but not limited to the U.S. Foreign Corrupt Practices Act and Canada’s Corruption of Foreign Public Officials Act, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other Person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Entity; or assisting any representative of the Corporation or any subsidiary in obtaining or retaining business for or with, or directing business to, any Person; or (Y) to any Person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither the Corporation nor any subsidiary nor, to the knowledge of the Corporation, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded the Corporation or any subsidiary, or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any Person alleging non-compliance with any such laws.
- (cc) *Anti-Money Laundering.* The operations of the Corporation and each subsidiary are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Entity (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Entity or any arbitrator involving the Corporation or any subsidiary with

respect to the Money Laundering Laws is pending or, to the best knowledge of the Corporation, threatened.

- (dd) *Sanctions.* Neither the Corporation nor any subsidiary has been, nor to the knowledge of the Corporation, has any director, officer, agent, employee, affiliate or person acting on behalf of the Corporation or any subsidiary been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department (“OFAC”) or other relevant sanctions authority; and the Corporation will not directly or indirectly use any proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to the Corporation or to any affiliated entity, joint venture partner or other person or entity, to finance any investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States administered by OFAC or other relevant sanctions authority.
- (ee) *Directors and Officers.* Other than as disclosed in the Offering Documents, none of the directors or officers of the Corporation or any subsidiary are now, or have ever been, (i) subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange, or (ii) subject to an order preventing, ceasing or suspending trading in any securities of the Corporation or other public company.
- (ff) *Related Parties.* Other than as disclosed in the Offering Documents, none of the directors, officers or employees of the Corporation or any subsidiary, any known holder of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing Persons or companies, has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction with the Corporation or any subsidiary which, as the case may be, materially affected, is material to or will materially affect the Corporation or any subsidiary.
- (gg) *Minute Books and Records.* The minute books and records of the Corporation and the subsidiaries which the Corporation has made available to the Underwriter and its counsel Cassels Brock & Blackwell LLP in connection with their due diligence investigation of the Corporation and the subsidiaries for the periods requested and ending on the date of examination thereof are all of the minute books and all of the records of the Corporation and the subsidiaries for such period and contain copies of all constating documents, including all amendments thereto, and all proceedings of securityholders and directors (and committees thereof) and are complete in all material respects since March 31, 2019.
- (hh) *Continuous Disclosure.* The Corporation is in compliance in all material respects with its continuous disclosure obligations under Canadian Securities Laws and, without limiting the generality of the foregoing, there is no material fact or material change that has occurred which has not been publicly disclosed and the information and statements in the Public Disclosure Documents were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations, and the Corporation has not filed any confidential material change reports which remain confidential as at the date hereof. The Corporation is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part XXIII.1 – *Civil Liability for Secondary Market Disclosure* of the *Securities Act* (Ontario) and analogous provisions under

Canadian Securities Laws. The Corporation has disclosed and provided the Underwriter with copies of the Continuous Disclosure Review Documents and all response letters of the Corporation related thereto.

- (ii) *Forward-Looking Information.* With respect to forward-looking information contained in the Prospectus, at the date of such documents:
  - (i) the Corporation had a reasonable basis for the forward-looking information;
  - (ii) were based on reasonable assumptions at the date of such forward-looking information; and
  - (iii) all material forward-looking information is identified as such, and all such documents caution users of forward-looking information that actual results may vary from the forward-looking information and identify material risk factors that could cause actual results to differ materially from the forward-looking information, and accurately state the material factors or assumptions used to develop forward-looking information.
- (jj) *Full Disclosure.* All information which has been prepared by the Corporation and the subsidiaries relating to the Corporation and its business, properties and liabilities and provided to the Agent including all financial, marketing, sales and operational information provided to the Underwriter and all Public Disclosure Documents is, as of the date of such information, true and correct in all material respects and does not contain any untrue statement of a material fact, and no fact or facts have been omitted therefrom which would make such information misleading in light of the circumstances under which they were made. The Corporation has not withheld from the Underwriter any material facts relating to the Corporation, the subsidiaries or the Offering.

### The Offering

- (kk) *Compliance with Laws, Filings and Fees.* The Corporation and the subsidiaries have complied in all material respects with all Applicable Laws required to be complied with prior to the Closing Time in connection with the Offering. All filings and fees required to be made and paid by the Corporation pursuant to Securities Laws and other Applicable Laws have been made and paid, other than customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws and any “blue sky laws” in the United States, as may be required in connection with the Offering.
- (ll) *Corporation Short Form Eligible.* The Corporation is eligible to file a short form prospectus in each of the Qualifying Jurisdictions pursuant to applicable Canadian Securities Laws and on the date of and upon filing of the Final Prospectus there will be no documents required to be filed under the Canadian Securities Laws in connection with the distribution of the Offered Units that will not have been filed as required.
- (mm) *Corporate Actions.* All necessary corporate action has been taken by the Corporation so as to (i) authorize the execution, delivery and performance of the Transaction Documents, (ii) to authorize the execution, delivery and filing, as applicable, of the Offering Documents, (iii) validly allot and issue the Unit Shares as fully paid and non-assessable Common Shares; (iv) validly create and issue the Warrants and the Compensation

Options, (v) validly create and authorize the issuance of the Compensation Warrants; (vi) validly allot and authorize the issuance of the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares as fully paid and non-assessable Common Shares; and (vii) grant the Over-Allotment Option.

- (nn) *Valid and Binding Documents.* Each of the execution and delivery of the Transaction Documents and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Corporation and upon the execution and delivery thereof shall constitute valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, provided that enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability may be limited by applicable laws in effect in the Province of Ontario.
- (oo) *All Consents and Approvals.* All consents, approvals, permits, authorizations or filings as may be required under Securities Laws or by any Governmental Entity or third party (including under the terms of any Material Agreement or Debt Instrument) necessary for: (i) the execution and delivery of the Transaction Documents, (ii) the issuance, creation, sale and delivery, as applicable, of the Offered Securities and the Compensation Securities and the grant of the Over-Allotment Option, and (iii) the consummation of the transactions contemplated hereby and thereby, have been made or obtained, as applicable, other than (A) those filings required to be submitted within the applicable time frame pursuant to Securities Laws and shall be obtained prior to the Closing Time under the Securities Laws or the rules of the Stock Exchange, and (B) such customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws and any "blue sky laws" in the United States, as may be required in connection with the Offering.
- (pp) *Validly Issued Unit Shares.* The Unit Shares have been, or prior to the Closing Time, will be duly and validly authorized for issuance and sale and when issued and delivered by the Corporation pursuant to this Agreement, against payment of the consideration set forth herein, will be validly issued as fully paid and non-assessable Common Shares.
- (qq) *Validly Issued Warrants and Compensation Options.* The Warrants and the Compensation Options have been, or prior to the Closing Time will be, duly and validly created and when issued and delivered by the Corporation pursuant to this Agreement, the Warrant Indenture and the Compensation Option Certificate, as applicable, the Warrants and the Compensation Options will be validly issued.
- (rr) *Validly Issued Warrant Shares.* The Warrant Shares have been, or prior to the Closing Time will be, duly and validly authorized for issuance and, upon exercise of the Warrants in accordance with the terms and conditions of the Warrant Indenture, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares.
- (ss) *Validly Issued Compensation Shares and Compensation Warrants.* The Compensation Shares and the Compensation Warrants have been, or prior to the Closing Time will be, duly allotted and authorized for issuance and, upon exercise of the Compensation Options in accordance with the terms and conditions of the Compensation Option Certificates, the

Compensation Shares will be validly issued as fully paid and non-assessable Common Shares and the Compensation Warrants will be validly issued.

- (tt) *Validly Issued Compensation Warrant Shares.* The Compensation Warrant Shares have been, or prior to the Closing Time will be, duly and validly authorized for issuance and, upon exercise of the Compensation Warrants in accordance with the terms and conditions of the Warrant Indenture, the Compensation Warrant Shares will be validly issued as fully paid and non-assessable Common Shares.
- (uu) *Warrant Agent.* The Warrant Agent at its principal office in Vancouver, British Columbia has been duly appointed as the warrant agent in respect of the Warrants.
- (vv) *Listing.* The Corporation has filed or will have filed prior to the Closing Time, with the Stock Exchange all necessary documents and has taken, or will have taken prior to the Closing Time, all necessary steps to ensure that at the Closing Time, the Unit Shares and Warrants (subject to meeting distribution requirements of the Stock Exchange) will be listed and posted for trading on the Stock Exchange and the Warrant Shares, Compensation Shares, Compensation Warrants (subject to meeting distribution requirements for the Warrants) and Compensation Warrant Shares will be conditionally accepted for listing, subject to their issuance.
- (ww) *Fees and Commissions.* Other than the Underwriter (or any members of their Selling Group) pursuant to this Agreement, there is no Person acting or purporting to act at the request of the Corporation who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein.
- (xx) *Entitlement to Proceeds.* Other than the Corporation, there is no Person that is or will be entitled to the proceeds of the Offering under the terms of any Material Agreement, Debt Instrument, or other instrument or document (written or unwritten).
- (yy) *No Significant Acquisitions.* The Corporation has not completed any “significant acquisition” nor is it proposing any “probable acquisitions” (within the meaning of such terms under NI 51-102) that would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Prospectus, or the filing of a Business Acquisition Report pursuant to Canadian Securities Laws.
- (zz) *Qualified Investments.* Subject to the qualifications and limitations described under “Eligibility for Investment” in the Final Prospectus, the Unit Shares, Warrants and Warrant Shares 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, registered education savings plans, deferred profit sharing plans, a registered disability savings plan and tax free savings accounts.
- (aaa) *Third Party Information.* The statistical, industry-related and market related data, and information related to overview of the legislative and regulatory regimes of the industries in which the Corporation, Material Subsidiaries and Industry Partners operate, included in the Prospectus are based on or derived from sources which the Corporation reasonably and in good faith believes are reliable and accurate, and such data and information agree with the sources from which they are derived. The Corporation has obtained the consent to the use of such data or information from such sources to the extent required.



- (bbb) *U.S. Sales.* The Corporation makes the representations, warranties and covenants applicable to it in Schedule “C” attached hereto and acknowledges that the terms and conditions of the representations, warranties and covenants of the parties contained in Schedule “C” form part of this Agreement.

*Business and Operations*

- (ccc) *Title to Business Assets.* The Corporation and/or the Material Subsidiaries have good, valid and marketable title to and have all necessary rights in respect of all of their Business Assets as owned, leased, licensed, loaned, operated, developed or used by them or over which they have rights, free and clear of any Liens, and no other rights or Business Assets are necessary for the conduct of the Business as currently conducted or as proposed to be conducted. The Corporation knows of no claim or basis for any claim that might or could have a Material Adverse Effect on the rights of the Corporation or the Material Subsidiaries to use, transfer, lease, license, operate, develop, sell or otherwise exploit such Business Assets and the Corporation does not have any obligation to pay any commission, license fee or similar payment to any person in respect thereof and there are no outstanding rights of first refusal or other pre-emptive rights of purchase which entitle any person to acquire any of the rights, title or interests in the Business Assets.
- (ddd) *Compliance with Laws, Regulatory Approvals and Authorizations.* All operations of the Corporation and the Material Subsidiaries and, to the knowledge of the Corporation, the Industry Partners, in respect of or in connection with the Business Assets or otherwise have been and continue to be conducted in material compliance with all Applicable Laws including all standards applicable to the industries of the Corporation, the Material Subsidiaries and the Industry Partners and promulgated by the applicable Governmental Entities in the jurisdictions where the Business operates or the Business Assets are located. The Corporation, the Material Subsidiaries and, to the knowledge of the Corporation, the Industry Partners, have obtained and are in compliance with all Authorizations to permit them to conduct the Business as currently conducted or proposed to be conducted. All of the Authorizations issued to date are valid and in full force and effect and none of the Corporation, any of the Material Subsidiaries, or the knowledge of the Corporation any of the Industry Partners, has received any correspondence or notice from any Governmental Entity alleging or asserting material non-compliance with any Applicable Laws or Authorizations and the Corporation does not know of any basis for any such allegation or assertion. None of the Corporation nor any of the Material Subsidiaries, nor to the knowledge of the Corporation any of the Industry Partners, has received any notice of proceedings or actions relating to the revocation, suspension, limitation or modification of any Authorizations or any notice advising of the refusal to grant any Authorization that has been applied for or is in process of being granted and has no knowledge or reason to believe that any such Governmental Entity is considering taking or would have reasonable ground to take any such action. The Corporation anticipates that all remaining Authorizations required for the conduct of the Business of the Corporation and the Material Subsidiaries as proposed to be conducted shall be obtained in the ordinary course of business without either such entity being subject to any material liabilities or obligations outside of the ordinary course or such Authorizations including conditions which may not be satisfied on a reasonable basis by the Corporation and/or the Material Subsidiaries, as applicable.

- (eee) *Research and Development.* As of the date hereof, the Corporation and the Material Subsidiaries have not and are not conducting any research and development activities, including quality assurance, quality control, testing, and research and analysis activities.
- (fff) *Business Relationships.* All agreements with third parties, including the Industry Partners, in connection with the Business have been entered into and are being performed by the Corporation and the Material Subsidiaries, and, to the knowledge of the Corporation, by all other third parties, including the Industry Partners thereto, in compliance with their terms, in all material respects. There exists no actual or pending, or to the knowledge of the Corporation, any threatened termination, cancellation or limitation of, or any material adverse modification or material change in, the business relationship of the Corporation or the Material Subsidiaries, with any Industry Partner or other strategic partner, supplier, wholesaler, retailer, manufacturer, service provider or customer, or any group thereof whose business with or whose purchases from or inventories, components or services provided to the Business of the Corporation or the Material Subsidiaries are individually or in the aggregate material to the assets, business, properties, operations or financial condition of the Corporation (on a consolidated basis). All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent the Corporation or the Material Subsidiaries from conducting such business with any such third parties, including the Industry Partners, in the same manner in all material respects as currently conducted or proposed to be conducted.
- (ggg) *Data Security.* The Corporation and each of the Material Subsidiaries have all taken reasonable steps to maintain the integrity and security of its systems and network infrastructure in connection with their Business.
- (hhh) *Privacy Protection.* The Corporation and the Material Subsidiaries have complied, in all material respects, with all applicable privacy and consumer protection legislation and none of them have collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation and the Material Subsidiaries have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse. The Corporation and the Material Subsidiaries have security measures and safeguards in place, consistent with generally accepted industry practice and Applicable Laws, to protect all personal information they may collect from users of their websites or e-commerce platforms, existing or potential customers and other parties from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of such parties.
- (iii) *Intellectual Property.*
  - (i) The Corporation and the Material Subsidiaries own or possess the right to use all patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, brand names, franchise rights, copyrights, domain names, licenses, software, inventions, trade secrets, industrial designs, know-how, formulae, processes, inventions or any other similar rights, as they exist anywhere in the world and whether registered or unregistered, including all moral rights (collectively, “**intellectual property**”) in connection with the Business as currently conducted or

proposed to be conducted. There are no current, and the Corporation is not aware of any pending or threatened, actions, suits, proceedings, claims or challenges by any other person to the rights of the Corporation or the Material Subsidiaries with respect to any intellectual property used in connection with the Business as currently conducted or proposed to be conducted and the Corporation is not aware of any fact which could form a reasonable basis for any such actions, suits, proceedings, claims or challenges;

- (ii) to the knowledge of the Corporation, the Business as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with, in any material respect, the intellectual property rights of any person and no claim has been made against the Corporation or the Material Subsidiaries alleging the infringement by the Corporation or the Material Subsidiaries of any intellectual property rights of any person, and the Corporation. To the knowledge of the Corporation, there is no infringement by third parties of any intellectual property owned by or licensed to the Corporation or the Material Subsidiaries;
  - (iii) to the extent any intellectual property used by the Corporation or the Material Subsidiaries has been created in whole or in part by current or past employees, consultants or independent contractors, any rights therein of such persons have been irrevocably assigned in writing to the Corporation or the Material Subsidiaries, as applicable, and no such person has asserted any claim in respect of any moral rights in such person's contribution to such intellectual property or component thereof; and
  - (iv) the Corporation and the Material Subsidiaries have implemented and maintained commercially reasonable measures to protect and maintain the confidentiality of all trade secrets and other confidential proprietary information forming part of or in relation to the intellectual property used in connection with the Business as currently conducted or proposed to be conducted.
- (jjj) *Leased Premises.* With respect to each of the Leased Premises, the Corporation and/or each Material Subsidiary occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation or any Material Subsidiary occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other Person the right to terminate any such lease or result in any additional or more onerous obligations under such leases.
- (kkk) *Environmental and Workplace Laws.* The Corporation and the subsidiaries are currently in compliance, in all material respects, with all Environmental Laws and Authorizations, including all reporting and monitoring requirements thereunder, and there are no pending or, to the knowledge of the Corporation, any threatened, administrative, regulatory or judicial actions, suits, demands, claims, notices of non-compliance or violation, investigation or proceedings under any Environmental Laws relating to the Corporation, the subsidiaries, any real property owned by the Corporation or the subsidiaries, or the Leased Premises. Neither the Corporation nor any subsidiary has ever received any notice of any non-compliance in respect of Environmental Laws and there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up, remediation or otherwise under Environmental Laws. The premises, facilities

and operations of the Corporation and the subsidiaries have been and are currently being conducted in all material respects in compliance with Environmental Laws, all Authorizations and all applicable workers' compensation and health and safety and workplace laws, regulations and policies.

- (III) *Insurance.* The Corporation the Material Subsidiaries do not currently maintain any insurance policies.

#### Employment Matters

- (mmm) *Employment Laws.* The Corporation and the Material Subsidiaries are in material compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, workers' compensation, occupational health and safety and pay equity and wages. There are no material claims, complaints, outstanding decisions, orders or settlements or pending claims, complaints, decisions, orders or settlements under any Applicable Laws related to human rights, employment standards, workers' compensation, occupational health and safety or similar laws nor has any event occurred which may give rise to any of the foregoing.
- (nnn) *Employee Plans.* 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 or the Material Subsidiaries for the benefit of any current or former director, officer, employee or consultant of the Corporation or the Material Subsidiaries (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all Applicable Laws to such Employee Plans, in each case in all material respects and has been publicly disclosed to the extent required by Canadian Securities Laws.
- (ooo) *Record-Keeping.* All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of the Corporation and each of the Material Subsidiaries, as applicable.
- (ppp) *Labour Matters.* There is not currently any labour disruption, dispute, slowdown, stoppage, complaint or grievance outstanding or pending, or to the knowledge of the Corporation, threatened against the Corporation or any Material Subsidiary which is adversely affecting or could adversely affect, in a material manner, the carrying on of the business of the Corporation or any Material Subsidiary and no union representation exists for the employees of the Corporation or any Subsidiary and no collective bargaining agreement is in place or being negotiated by the Corporation or any Material Subsidiary.
- (qqq) *COVID-19.* Except as mandated by or in conformity with the recommendations of a Governmental Entity or as disclosed in the Offering Documents, there has been no closure, shut-down, suspension, postponement or disruption of the Business as a result of the novel coronavirus outbreak (the "**COVID-19 Outbreak**") and no Material Adverse Effect on the Corporation, its Material Subsidiaries, the Industry Partners, the Business or the Business Assets as a result thereof. The Corporation and the Material Subsidiaries have been monitoring the COVID-19 Outbreak and the potential impact at all of its

operations and business units, including its Industry Partners, with a focus on business continuity and has put appropriate controls, measures, limitations, restrictions and procedures in place to ensure the wellness of all of its employees while continuing to operate, in order to prevent or mitigate the spread of the COVID-19 Outbreak, in compliance with all Applicable Laws.

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

The Corporation covenants and agrees with the Underwriter, and acknowledges that the Underwriter is relying on such covenants in connection with the purchase of the Units, as follows:

- (1) *Notification of Filings.* The Corporation will advise the Underwriter, promptly after receiving notice thereof, of the time when the Offering Documents have been filed, as applicable, and receipts, as applicable, therefor have been obtained and will provide evidence reasonably satisfactory to the Underwriter of each such filing and copies of such receipts.
- (2) *Standstill.* The Corporation will not, directly or indirectly, for a period commencing on the date of this Agreement and ending 90 days after the Closing Date, without the prior written consent of the Underwriter, issue, agree to issue, or announce an intention to issue, any additional debt, Common Shares, or any securities convertible into or exchangeable for Common Shares, other than (i) pursuant to the Offering; (ii) in connection with the exchange, transfer, conversion or exercise rights of existing outstanding securities or existing commitments to issue securities; or (iii) pursuant to any arm's length acquisition.
- (3) *Lock-Up Agreements.* The Corporation will use its best efforts to cause each of the directors and officers of the Corporation to enter into lock-up agreements in a form satisfactory to the Corporation and the Underwriter, each acting reasonably, pursuant to which each such person agrees, for a period ending 90 days after the Closing Date, not to directly or indirectly, offer, sell, transfer, pledge or otherwise dispose of any of the economic consequences of ownership (or announce any intention to do any of the foregoing) of any securities of the Corporation, whether owned, directly or indirectly, or under their control or direction, subject to customary exceptions, without the prior written consent of the Underwriter, such consent not to be unreasonably withheld or delayed.
- (4) *Maintain Reporting Issuer Status.* The Corporation will use commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Canadian Securities Laws in each of the Qualifying Jurisdictions, to the date that is at least 36 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation.
- (5) *Maintain Stock Exchange Listing.* The Corporation will use commercially reasonable efforts to maintain the listing of the Common Shares (including those issuable pursuant to the Offering) on the Stock Exchange or such other recognized stock exchange or quotation system as the Underwriter may approve, acting reasonably, for a period of at least 36 months following the Closing Date, provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Corporation.
- (6) *Validly Issued Unit Shares.* The Corporation will ensure that at the Closing Time the Unit Shares are duly and validly issued as fully paid and non-assessable Common Shares.

- (7) *Validly Issued Warrants and Warrant Shares.* The Corporation will ensure that the Warrants are duly and validly created, authorized and issued, and shall have the attributes corresponding to the description thereof set forth in this Agreement and the Warrant Indenture. The Corporation will ensure at all times prior to the Expiry Date, that sufficient Warrant Shares are authorized and allotted for issuance upon due and proper exercise of the Warrants, and the Warrant Shares upon their issuance in accordance with the terms of the Warrant Indenture, including payment of the exercise price therefor, shall be validly issued as fully paid and non-assessable Common Shares.
- (8) *Validly Issued Compensation Options.* The Corporation will ensure that the Compensation Options are duly and validly created, authorized and issued and have the attributes corresponding to the description thereof set forth in this Agreement and the Compensation Option Certificates.
- (9) *Validly Issued Compensation Shares and Compensation Warrants.* The Corporation will ensure, at all times prior to the date that is 36 months from the Closing Date, that sufficient Compensation Shares and Compensation Warrants are authorized and allotted for issuance upon due and proper exercise of the Compensation Options, and upon issuance in accordance with the terms of the Compensation Option Certificates, including payment of the exercise price therefor, the Compensation Shares shall be validly issued as fully paid and non-assessable Common Shares and the Compensation Warrants will be duly and validly created and issued and shall have the attributes corresponding to the description thereof set forth in this Agreement and the Warrant Indenture.
- (10) *Validly Issued Compensation Warrant Shares.* The Corporation will ensure, at all times prior to the date that is 36 months from the Closing Date, that sufficient Compensation Warrant Shares are authorized and allotted for issuance upon due and proper exercise of the Compensation Warrants, and upon issuance in accordance with the terms of the Warrant Indenture, including payment of the exercise price therefor, the Compensation Warrant Shares shall be validly issued as fully paid and non-assessable Common Shares.
- (11) *Stock Exchange Listing of Offered Securities.* Prior to the filing of the Final Prospectus, the Corporation will file or cause to be filed with the Stock Exchange all necessary documents and will take, or cause to be taken, all necessary steps to ensure that the Unit Shares, Warrants (subject to meeting distribution requirements of the Stock Exchange), Warrant Shares, Compensation Shares, Compensation Warrants (subject to meeting distribution requirements for the Warrants) and Compensation Warrant Shares, have been approved for listing and for trading on the Stock Exchange, subject only to satisfaction by the Corporation of the standard listing conditions, and the Corporation shall thereafter, fulfill the standard listing conditions, within the time period prescribed by the Stock Exchange.
- (12) *Use of Proceeds.* The Corporation will use the proceeds of the Offering in the manner specified in the Prospectus under the heading “Use of Proceeds”.
- (13) *Consents and Approvals.* The Corporation will have made or obtained, as applicable, at or prior to the Closing Time, all consents, approvals, permits, authorizations or filings as may be required by the Corporation, under Securities Laws, Material Agreements, Debt Instruments or otherwise, necessary for the consummation of the transactions contemplated herein, other than customary post-closing filings required to be submitted pursuant to Securities Laws, and the rules and policies of the Stock Exchange, which shall be submitted within the applicable time frame.
- (14) *Closing Conditions.* The Corporation will have, at or prior to the Closing Time, fulfilled or caused to be fulfilled, each of the conditions set out in Section 10 hereof.

## Section 9 Representations, Warranties and Covenants of the Underwriter.

- (1) The Underwriter hereby represents and warrants to the Corporation, that:
  - (a) *Registration.* The Underwriter is, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfill its obligations hereunder.
  - (b) *Authority.* The Underwriter has good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein.
  - (c) *Marketing Materials.* Other than the Standard Term Sheets, the Underwriter has not provided any marketing materials to any potential investors in connection with the Offering.
  - (d) *United States Offers and Sales.* All offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons will be completed in compliance with Schedule “C” to this Agreement.
  - (e) *Compensation Securities.* The Underwriter acknowledges that the Compensation Securities have not been and will not be registered under the U.S. Securities Act, and the Compensation Options and Compensation Warrants may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act. In connection with the issuance of the Compensation Options and Compensation Warrants, the Underwriter represents and warrants that (i) it is not a U.S. Person and it is not acquiring the Compensation Options and Compensation Warrants in the United States, or on behalf of a U.S. Person or a person located in the United States, (ii) this Agreement was executed and delivered outside the United States and (iii) it is acquiring the Compensation Options and Compensation Warrants, as principal for its own account and not for the benefit of any other person. The Underwriter agrees that they will not engage in any Directed Selling Efforts (as defined in Schedule “C”) with respect to any Compensation Securities.
- (2) The Underwriter hereby covenants and agrees with the Corporation, as follows:
  - (a) *Jurisdictions.* During the period of distribution of the Units by or through the Underwriter, the Underwriter will offer and sell the Units to the public only in the Selling Jurisdictions where they may lawfully be offered for sale upon the terms and conditions set forth in the Prospectus and this Agreement, either directly or through its Selling Group. The Underwriter shall be entitled to assume that the Units are qualified for distribution in any Qualifying Jurisdiction where the Final Receipt shall have been obtained following the filing of the Prospectus.
  - (b) *Compliance with Securities Laws.* The Underwriter will comply with applicable Securities Laws in connection with the offer and sale and distribution of the Units.
  - (c) *Sales.* The Underwriter will not, directly or indirectly, solicit offers to purchase or sell the Units or deliver any Offering Document to Purchasers so as to require registration of the Unit Shares, Warrants or Warrant Shares or the filing of a prospectus or registration

statement with respect to the Unit Shares, Warrants or Warrant Shares under the laws of any jurisdiction other than the Qualifying Jurisdictions.

- (d) *Completion of Distribution.* The Underwriter will use its commercially reasonable efforts to complete the distribution of the Units as promptly as possible after the Closing Time. The Underwriter will notify the Corporation when the Underwriter has ceased the distribution of the Units and, within thirty days after the Closing Date, will provide the Corporation, in writing, with a breakdown of the number of Units distributed (i) in each of the Qualifying Jurisdictions, and (ii) in any other Selling Jurisdictions.

## **Section 10      Conditions of Closing.**

The Underwriter's obligation to purchase the Units pursuant to this Agreement (including the obligation to complete the purchase of the Base Units and the Additional Units, as the case may be) shall be subject to the following conditions having been met at the Closing Time:

- (1) *Corporate and Securities Laws Opinions of the Corporation.* The Underwriter receiving favourable legal opinions from Garfinkle Biderman LLP, legal counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to counsel to the Underwriter as to the qualification of the Units for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the provinces in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, public and exchange officials or the transfer agent of the Corporation), substantially to the effect set forth below, subject to customary assumptions, qualifications and limitations:
  - (a) the Corporation is a corporation duly continued and validly existing under the Act and has all requisite corporate power and capacity to carry on business and to own and lease properties and assets;
  - (b) the Corporation is a "reporting issuer" not included on the list of issuers in default in the Qualifying Jurisdictions;
  - (c) the authorized and issued capital of the Corporation;
  - (d) the Corporation has all necessary corporate power and capacity to (i) execute, deliver and perform its obligations under the Transaction Documents, (ii) create, issue and sell, as applicable, the Offered Securities and the Compensation Securities, and (iii) grant the Over-Allotment Option;
  - (e) 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 thereunder and each of the Transaction Documents has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such other standard assumptions and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agreement may be limited by applicable law;



- (f) the execution and delivery of the Transaction Documents and the fulfilment of the terms thereof by the Corporation and the creation, issuance, sale and delivery, as applicable, of the Offered Securities and the Compensation Securities and the grant of the Over-Allotment Option, do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with the articles and by-laws of the Corporation, any resolutions of the shareholders or directors (including committees of the board of directors) of the Corporation, or any applicable corporate law or Canadian Securities Laws;
- (g) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus and the Final Prospectus (and any Supplementary Material) and the filing thereof with the Securities Commissions in the Qualifying Jurisdictions;
- (h) the Unit Shares have been validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (i) the Warrants have been duly and validly created and issued and the Warrant Shares have been authorized and allotted for issuance and upon the payment therefor and the issue thereof upon exercise of the Warrants in accordance with the provisions of the Warrant Indenture, including payment of the exercise price therefor, the Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (j) the Compensation Options have been duly and validly created and issued and the Compensation Shares and the Compensation Warrants have been authorized and allotted for issuance and, upon the due exercise of the Compensation Options in accordance with the provisions of the Compensation Option Certificates, including payment of the exercise price therefor, the Compensation Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation and the Compensation Warrants will be validly issued;
- (k) the Compensation Warrant Shares have been authorized and allotted for issuance and, upon the due exercise of the Compensation Warrants in accordance with the provisions of the Warrant Indenture, including payment of the exercise price therefor, the Compensation Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (l) the attributes of the Offered Securities, the Over-Allotment Option and the Compensation Securities conform in all material respects with their description in the Prospectus;
- (m) all necessary documents have been filed, all necessary proceedings have been taken and all necessary authorizations, approvals, permits, consents and orders have been obtained under Canadian Securities Laws to qualify the distribution to the public of the Offered Securities in the Qualifying Jurisdictions by or through persons who are duly registered under the applicable Canadian Securities Laws and who have complied with the relevant provisions of such applicable Canadian Securities Laws and to qualify the issuance of the Compensation Options and the grant of the Over-Allotment Option to the Underwriter;
- (n) the issuance by the Corporation of the (i) Warrant Shares upon the due exercise of the Warrants, (ii) Compensation Shares and Compensation Warrants upon the due exercise of

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

- (o) subject to the qualifications and assumptions set out therein, the statements set forth in the Preliminary Prospectus and the Final Prospectus under the heading “Eligibility for Investment” and “Certain Canadian Federal Income Tax Considerations”, insofar as they purport to describe the provisions of the laws referred to therein, are fair summaries of the matters discussed therein;
- (p) subject only to the standard listing conditions, the Unit Shares, Warrants, Warrant Shares, Compensation Shares. Compensation Warrants and Compensation Warrant Shares have been conditionally approved for listing on the Stock Exchange;
- (q) TSX Trust Company has been duly appointed as the warrant agent for the Warrants; and
- (r) with respect to such other matters as may reasonably be requested by the Underwriter no less than 48 hours prior to the Closing Time;

in form and substance acceptable to the Underwriter and its counsel, acting reasonably.

- (2) *Subsidiary Corporate Opinions.* The Underwriter receiving favourable legal opinions from Garfinkle Biderman LLP, legal counsel to the Corporation, and where appropriate, local counsel to the Corporation, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Material Subsidiaries in form and substance acceptable to the Underwriter and its counsel, acting reasonably, substantially to the effect set out below:
  - (a) each Material Subsidiary having been duly incorporated and validly existing under its jurisdiction of incorporation;
  - (b) each Material Subsidiary having all requisite corporate power and capacity to carry on business and to own and lease properties and assets; and
  - (c) as to the authorized and issued share capital of each Material Subsidiary and to the ownership thereof.
- (3) *U.S. Securities Opinion.* If any Units are sold in the United States, or to or for the account or benefit of, persons in the United States or U.S. Persons, the Underwriter receiving a legal opinion dated the Closing Date, to be addressed to the Underwriter, in form and substance acceptable to the Underwriter, acting reasonably, of Nauth LPC, 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 of the Units is not required to be registered under the U.S. Securities Act if made in accordance with Schedule “C” to this Agreement.
- (4) *Certificates of Status.* The Underwriter receiving certificates of status and/or compliance for the Corporation and each of the Material Subsidiaries, each dated within one Business Day prior to the Closing Date.

- (5) *Officers' Certificate.* The Underwriter receiving a certificate dated the Closing Date and signed by two senior officers of the Corporation as may be acceptable to the Underwriter, acting reasonably, in form and substance satisfactory to the Underwriter, acting reasonably, with respect to:
- (a) the constating documents of the Corporation;
  - (b) the resolutions of the directors of the Corporation relevant to the Offering Documents, the sale of the Units, the grant of the Over-Allotment Option, the issuance of the Compensation Options and the authorization of the Transaction Documents and the transactions contemplated herein and therein; and
  - (c) the incumbency and signatures of signing officers for the Corporation.
- (6) *Officers' Bring Down Certificate.* The Underwriter receiving a certificate dated the Closing Date and signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation or such other senior officer(s) of the Corporation as may be acceptable to the Underwriter, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries, that:
- (a) the representations and warranties of the Corporation contained in this Agreement, and in any certificates of the Corporation delivered pursuant to or in connection with this Agreement, are true and correct in all material respects as of the Closing Time as if such representations and warranties were made as at the Closing Time, after giving effect to the transactions contemplated hereby;
  - (b) the Corporation has complied in all material respects with all the covenants and satisfied in all material respects all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
  - (c) no order, ruling or determination having the effect of suspending the sale or ceasing the trading or prohibiting the sale or issuance of the Units or any other securities of the Corporation (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority;
  - (d) since the respective dates as of which information is given in the Final Prospectus (i) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects or capital of the Corporation on a consolidated basis, and (ii) no transaction has been entered into by the Corporation or any of the subsidiaries which is material to the Corporation on a consolidated basis, other than as disclosed in the Final Prospectus; and
  - (e) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Final Prospectus which fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus or which would result in the Final Prospectus not complying with applicable Canadian Securities Laws.

- (7) *Auditors Bring Down Letter.* The Underwriter receiving the “bring down” comfort letter dated as of the Closing Date from the Auditors, in form and substance satisfactory to the Underwriter, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letters referred to in Section 4(d) hereof.
- (8) *Lock-Up Agreements.* The Underwriter receiving executed lock-up agreements from each director and officer of the Corporation in favour of the Underwriter in a form satisfactory to the Underwriter as required pursuant to Section 8(3) hereof.
- (9) *Warrant Indenture.* The Underwriter receiving an executed copy of the Warrant Indenture.
- (10) *Transfer Agent Certificate.* The Underwriter receiving a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at the end of business on the Business Day prior to the Closing Date.
- (11) *Warrant Agent Certificate.* the Warrant Agent shall have been duly appointed as the warrant agent in respect of the Warrants and the Underwriter shall have received a certificate from the Warrant Agent as to its appointment as the warrant agent in respect of the Warrants.
- (12) *No Cease Trade Orders.* No order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Units or any of the Corporation’s issued securities being issued and no proceeding for such purpose being pending or, to the knowledge of the Corporation, threatened by any securities regulatory authority or the Stock Exchange.
- (13) *Stock Exchange Approval.* The Corporation having delivered to the Underwriter evidence of the approval (or conditional approval) of the listing and posting for trading of the Unit Shares, Warrants, Warrant Shares, Compensation Shares, Compensation Warrants and Compensation Warrant Shares on the Stock Exchange, subject only to satisfaction by the Corporation of standard listing conditions (including the distribution requirements in respect of the Warrants).
- (14) *Compliance with Covenants.* The Corporation complying with all of its covenants and obligations under this Agreement required to be satisfied at or prior to the Closing Time.
- (15) *Consents.* The Corporation having delivered to the Underwriter any and all consents in order to complete the Offering as contemplated herein and to apply the proceeds as set forth in the Prospectus.
- (16) *No Exercise of Termination Rights.* The Underwriter not having exercised any rights of termination set forth herein.
- (17) *All Other Documents.* The Underwriter having received such further certificates, opinions of counsel and other documentation from the Corporation as contemplated herein or as otherwise reasonably requested, provided, however, that the Underwriter or their counsel shall request any additional certificate, opinion or document within a reasonable period prior to the Closing Time that is sufficient for the Corporation to obtain and deliver such certificate, opinion or document.

## **Section 11 Closing.**

- (1) *Location of Closing.* The Offering will be completed electronically, and concurrently at the offices of Garfinkle Biderman LLP and Cassels Brock & Blackwell LLP in Toronto, Ontario at the Closing Time.
- (2) *Securities.* At the Closing Time, subject to the terms and conditions contained in this Agreement, the following shall occur: (i) the Underwriter shall pay the aggregate Offering Price for the Units being issued and sold hereunder, net of the Commission and expenses of the Underwriter payable by the Corporation as set out in this Agreement, by wire transfer or such other method of payment acceptable to the Corporation, (ii) the Corporation shall deliver to the Underwriter in Toronto, Ontario, the Units in electronic or certificated form, registered as directed by the Underwriter in writing not less than 24 hours prior to the Closing Time, and (iii) the Corporation shall register and issue the Compensation Options as directed by the Underwriter.

## **Section 12 Closing of the Over-Allotment Option.**

- (1) *Written Notice of Exercise.* The Over-Allotment Option may be exercised for a period of 30 days from and including the Closing Date. The Underwriter, shall provide written notice to the Corporation of its election to exercise the Over-Allotment Option, which notice will set forth: (i) the aggregate number of Additional Securities to be purchased; and (ii) the closing date for the purchase and sale of the Additional Securities, provided that such closing date shall not be less than three Business Days and no more than seven Business Days following the date of such notice, and in any event not later than the 30th day following the Closing Date.
- (2) *Closing.* The purchase and sale of the Additional Securities, if required, shall be completed at such time and place as the Underwriter and the Corporation may agree, and in the same manner as contemplated by Section 11 hereof.
- (3) *Securities.* At the closing of the Over-Allotment Option, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Underwriter the Additional Securities in electronic or certificated form, registered as directed by the Underwriter, against payment to the Corporation by the Underwriter of the aggregate purchase price for the Additional Securities being issued and sold by wire transfer or certified cheque, net of the Commission and any expenses of the Underwriter payable by the Corporation as set out in this Agreement, and the Corporation shall register and issue the additional Compensation Options as directed by the Underwriter.
- (4) *Deliveries.* The applicable terms, conditions and provisions of this Agreement (including the provisions of Section 10 hereof relating to closing deliveries) shall apply *mutatis mutandis* to the Closing of the issuance of any Additional Securities pursuant to any exercise of the Over-Allotment Option.
- (5) *Adjustments.* In the event that the Corporation shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the Offering Price and to the number of Additional Securities issuable on exercise thereof such that the Underwriter is entitled to arrange for the sale of the same number and type of securities that the Underwriter would have otherwise arranged for had they exercised the Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or other change.

### Section 13      **Indemnification and Contribution.**

- (1) The Corporation and its subsidiaries or affiliated companies, as the case may be (collectively, the “**Indemnitor**”) agrees to indemnify and hold harmless each of the Underwriter and Selling Group members, and each of their subsidiaries and affiliates, and each of their respective directors, officers, employees, securityholders and agents (collectively, the “**Indemnified Parties**” and each, an “**Indemnified Party**”), to the full extent lawful, from and against all expenses, fees, losses, claims, actions, damages, obligations and liabilities, joint or several, of any nature (including the reasonable fees and expenses of their respective counsel and other expenses, but not including any amount for lost profits) (collectively, “**Losses**”) that are incurred in investigating, defending and/or settling any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party (collectively, the “**Claims**”) or to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the matters referred to in this Agreement, together with any Losses that are incurred in enforcing this indemnity. This indemnity shall not be available to an Indemnified Party in respect of Losses incurred where a court of competent jurisdiction in a final judgment that has become non-appealable determines that such Losses resulted solely from the fraud, gross negligence or wilful misconduct of the Indemnified Party.
- (2) If for any reason (other than a determination as to any of the events referred to immediately above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor shall contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the Losses paid or payable by an Indemnified Party as a result of such Claim, the amount (if any) equal to (i) such amount paid or payable, minus (ii) the amount of the Commission received by the Indemnified Party, if any, pursuant to this Agreement. In the event that the Indemnitor may be entitled to contribution from the Indemnified Parties under the provisions of any statute or law, the Indemnitor shall be limited to contribution in any amount not exceeding the lesser of the portion of the Losses giving rise to such contribution for which the Underwriter is responsible and the amount of the Commission received by the Underwriter.
- (3) The Indemnitor agrees that in case any Claim shall be brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are 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 Indemnified Parties hereunder, the Indemnified Party shall have the right to employ its 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 Indemnified Party for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and out-of-pocket expenses incurred by the personnel of the Indemnified Party in connection therewith) shall be paid by the Indemnitor as they occur.
- (4) The Underwriter will notify the Indemnitor promptly in writing after receiving notice of any Claim against the Underwriter or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in

respect of which indemnification may be sought from the Indemnitor hereunder, stating the particulars thereof, will provide copies of all relevant documentation to the Indemnitor and, unless the Indemnitor assumes the defence thereof, will keep the Indemnitor advised of the progress thereof and will discuss all significant actions proposed. The omission to so notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such Claim or results in any material increase in the liability under this indemnity which the Indemnitor would otherwise have incurred had the Underwriter not so delayed in giving, or failed to give, the notice required hereunder.

- (5) The Indemnitor shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any Claim, provided such defence is conducted by counsel of good standing acceptable to the Underwriter. Upon the Indemnitor notifying the Underwriter in writing of its election to assume the defence and retaining counsel, the Indemnitor shall not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is not assumed by the Indemnitor, the Indemnified Parties, throughout the course thereof, shall provide copies of all relevant documentation to the Indemnitor, shall keep the Indemnitor advised of the progress thereof and shall discuss with the Indemnitor all significant actions proposed. If such defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to the Underwriter, will keep the Underwriter advised of the progress thereof and will discuss with the Underwriter all significant actions proposed.
- (6) Notwithstanding the foregoing paragraph, any Indemnified Party shall also have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defence of any Claim if: (i) the employment of such counsel has been authorized by the Indemnitor; (ii) the Indemnitor has not assumed the defence and employed counsel therefor promptly after receiving notice of the Claim; or (iii) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnitor or that there is a conflict of interest between the Indemnitor and the Indemnified Party or the subject matter of the Claim may not fall within the indemnity set forth herein (in any of which events the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf), provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties.
- (7) A party hereunder shall not, without the other party's prior written consent, such consent not to be unreasonably withheld or delayed, settle, compromise or consent to the entry of any judgment or make any admission of liability with respect to any Claim or seek to terminate any Claims in respect of which indemnification may be sought hereunder.
- (8) The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights an Indemnified Party may have at common law or otherwise.
- (9) The Indemnitor agrees to waive any right the Indemnitor may have of first requiring the Indemnified Party to proceed against or enforce any right, power, remedy, security or claim payment from any other person before claiming under this indemnity. The Indemnitor 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 except to the extent of the amount of any Losses suffered by the Corporation that are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted solely from fraud, the gross negligence or wilful misconduct of the Indemnified Party.

- (10) The Indemnitor hereby acknowledges that the Underwriter is acting as trustee for each of the other Indemnified Parties of the Indemnitor's covenants under this indemnity and the Underwriter agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.
- (11) The indemnity and contribution obligations of the Indemnitor hereunder shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties who are not signatories hereto and shall be binding upon and enure to the benefit of any successors, permitted assigns, heirs and personal representatives of the Indemnitor, the Underwriter and any other Indemnified Party. The foregoing provisions shall survive any termination of this Agreement or the completion of the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder.

#### **Section 14 Compensation of the Underwriter.**

In consideration of the services to be rendered by the Underwriter in connection with the Offering, the Corporation shall pay to the Underwriter, at the Closing Time, a cash fee (the "**Commission**") equal to 7.0% of the aggregate gross proceeds of the Offering (including for certainty on any exercise of the Over-Allotment Option), other than in respect of sales to Purchasers on a "president's list" on which a reduced cash fee of 3.5% will be paid. The Corporation shall also issue to the Underwriter that number of compensation options (the "**Compensation Options**") equal to 7.0% of the aggregate number of Units sold pursuant to the Offering (including for certainty on any exercise of the Over-Allotment Option), other than in respect of sales to Purchasers on a "president's list" on which a reduced number of Compensation Options equal to 3.5% of the number of Units sold to the "president's list" will be issued. Each Compensation Option shall entitle the holder thereof to acquire one Unit at the Offering Price for a period of 36 months following the Closing Date. Each Unit will be comprised of one Unit Share (a "**Compensation Share**") and one Warrant (each, a "**Compensation Warrant**"). Each Compensation Warrant shall entitle the holder thereof to acquire one Common Share (a "**Compensation Warrant Share**") at an exercise price of \$0.70 for a period of 36 months following the Closing Date. The obligation of the Corporation to pay the Commission and to execute and deliver the Compensation Option Certificates shall arise at the Closing Time and the Commission will be netted out of the gross proceeds of the Offering.

#### **Section 15 Expenses.**

Whether or not the Offering shall be completed, all costs and expenses of or incidental to the Offering and all matters in connection with the transactions herein shall be borne by the Corporation, including, all expenses of or incidental to the issue, sale or distribution of the Units, the fees and expenses of the Corporation's counsel, Auditors and independent experts, all costs incurred in connection with the preparation of documents relating to the Offering, and the fees and expenses of the Underwriter, which includes (i) the reasonable fees (to a maximum of \$90,000 exclusive of disbursements and taxes) and disbursements of the Underwriter's legal counsel and applicable taxes thereon, and (ii) the out-of-pocket and travel expenses in connection with due diligence and marketing meetings for a payment to the Underwriter of \$10,000. The Underwriter's expenses shall be netted out of the gross proceeds of the Offering or otherwise shall be immediately payable by the Corporation upon receipt of an invoice at or following the Closing Time.



## **Section 16 All Terms to be Conditions.**

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

## **Section 17 Termination by Underwriter in Certain Events.**

- (1) Each Underwriter shall be entitled to terminate its obligation to purchase the Units by written notice to that effect given to the Corporation at or prior to the Closing Time if:
  - (a) *Material Adverse Change Out* - there is a material change or a change in a material fact or new material fact shall arise, or there should be discovered any previously undisclosed material fact required to be disclosed in the Preliminary Prospectus, the Final Prospectus or any amendment thereto, in each case, that has or would be expected to have, in the sole opinion of the Underwriter, a significant adverse change or effect on the business or affairs of the Corporation or on the market price or value of the securities of the Corporation;
  - (b) *Disaster Out* - (i) there should develop, occur or come into effect or existence any event, action, state, condition (including without limitation terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which, in the sole opinion of the Underwriter, seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Corporation and its subsidiaries taken as a whole or the market price or value of the securities of the Corporation; (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Corporation or any one of the officers or directors of the Corporation or any of its principal shareholders where wrong-doing is alleged or any order is made by any Governmental Entity which involves a finding of wrong-doing; or (iii) 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; or
  - (c) *Breach Out* - the Corporation is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes or is false in any material respect.
- (2) If this Agreement is terminated by the Underwriter pursuant to Section 17(1) hereof, there shall be no further liability on the part of the Underwriter or of the Corporation to such Underwriter, except in respect of any liability which may have arisen or may thereafter arise in respect of acts or omissions of the Corporation prior to such termination and except under Section 13 and Section 15 hereof.
- (3) The rights of the Underwriter 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.

**Section 18      Decrease to the Offering Price**

- (1) Subject to compliance with Canadian Securities Laws, without affecting the firm obligation of the Underwriter to purchase from the Corporation 23,000,000 Units at the Offering Price in accordance with this Agreement, after the Underwriter has made reasonable efforts to sell all of the Units at the Offering Price, the Offering Price may be decreased by the Underwriter and further changed from time to time to an amount not greater than the Offering Price specified herein. Such decrease in the Offering Price will not affect the Underwriter's Commission to be paid by the Corporation to the Underwriter, and it will not decrease the amount of the net proceeds of the Offering to be paid by the Underwriter to the Corporation, before deducting expenses of the Offering. The Underwriter will inform the Corporation if the Offering Price is decreased.

**Section 19      Notices.**

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

in the case of the Corporation, to:

**Red Light Holland Corp.**

1 Adelaide Street East, Suite 801  
Toronto, Ontario M5C 2V9

Attention:      Todd Shapiro, Chief Executive Officer  
Email:            todd@redlighttruffles.com

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

**Garfinkle Biderman LLP**

1 Adelaide Street East, Suite 801  
Toronto, Ontario M5C 2V9

Attention:      Shimmy Posen  
Email:            sposen@garfinkle.com

in the case of the Underwriter, to:

**Eight Capital**

EY Tower  
100 Adelaide Street West, Suite 2900  
Toronto, Ontario M5H 1S3

Attention:      Elizabeth Staltari  
Email:            estaltari@viiccapital.com

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

**Cassels Brock & Blackwell LLP**

2100 Scotia Plaza  
40 King Street West  
Toronto, Ontario M5H 3C2

Attention:      Nancy Choi  
Email:            nchoi@cassels.com

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

## **Section 20      Miscellaneous.**

- (1) *Successors and Assigns.* This Agreement shall enure to the benefit of, and shall be binding upon, the Underwriter and the Corporation and their respective successors, permitted assigns and legal representatives.
- (2) *Governing Law.* This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (3) *Time of the Essence.* Time shall be of the essence hereof and, following any waiver or indulgence by any party, time shall again be of the essence hereof.
- (4) *Interpretation.* The words, “hereunder”, “hereof” and similar phrases mean and refer to this Agreement.
- (5) *Survival.* All representations, warranties, covenants and agreements of the Corporation and/or the Underwriter herein contained or contained in documents submitted pursuant to this Agreement and in connection with the transaction of purchase and sale herein contemplated shall survive for a period ending on the date that is three years following the Closing Date. Notwithstanding the preceding sentence, Section 13 hereof shall survive the purchase and sale of the Units and the termination of this Agreement and shall continue in full force and effect for the benefit of the Underwriter or the Corporation, as the case may be, regardless of any subsequent disposition of the Units or any investigation by or on behalf of the Underwriter with respect thereto without limitation other than any limitation requirements of applicable law. The Underwriter and the Corporation shall be entitled to rely on the representations and warranties of the Corporation or the Underwriter, as the case may be, contained herein or delivered pursuant hereto notwithstanding any investigation which the Underwriter or the Corporation may undertake or which may be undertaken on their behalf.
- (6) *Electronic Copies.* Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.
- (7) *Severability.* If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- (8) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

- (9) *Market Stabilization Activities.* In connection with the distribution of the Units, the Underwriter may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriter at any time.
- (10) *No Fiduciary Duty.* The Corporation acknowledges that in connection with the Offering, the Underwriter: (i) has acted at arm's length to the Corporation, has not assumed and will not assume a fiduciary responsibility in favour of the Corporation with respect to the Offering or the process leading thereto, is not an agent of, and owes no fiduciary duties to, the Corporation or any other person, (ii) owes the Corporation only those duties and obligations expressly set forth in this Agreement, (iii) has not provided any legal, accounting, regulatory or tax advice with respect to the Offering and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate, and (iv) may be engaged in a broad range of transactions that involve interests that differ from those of the Corporation. The Corporation waives to the full extent permitted by applicable law any claims it may have against the Underwriter arising from an alleged breach of fiduciary duty in connection with the Offering.
- (11) *Other Business.* The Corporation acknowledges that the Underwriter and certain of its affiliates: (i) act as an investment fund manager and a trader of, and dealer in, securities both as principal and on behalf of its clients (including managed accounts and investment funds) and, as such, may in the future have, long or short positions in the securities of the 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; and (iv) nothing herein shall restrict their ability to conduct business in the ordinary course and in compliance with applicable laws.
- (12) *Entire Agreement.* This Agreement dated the date hereof constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings in respect of the Offering, including the engagement letter dated as of February 2, 2021 between the Corporation and the Underwriter, as amended. This Agreement may be amended or modified in any respect by written instrument only.
- (13) *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.

***[Signature Page Follows]***

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

Yours very truly,

**EIGHT CAPITAL**

By: “Elizabeth Staltari”  
Name: Elizabeth Staltari  
Title: Managing Director

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

**RED LIGHT HOLLAND CORP.**

By: “Todd Shapiro”  
Name: Todd Shapiro  
Title: Chief Executive Officer

**SCHEDULE “A”  
SUBSIDIARIES**

*This is Schedule “A” to the underwriting agreement dated February 9, 2021 between Red Light Holland Corp. and Eight Capital.*

<b>Name of Subsidiary</b>	<b>Jurisdiction</b>	<b>Authorized / Issued Capital</b>	<b>Ownership Information</b>
RLH Netherlands B.V.	Netherlands	100 ordinary shares issued and outstanding	100% owned directly by the Corporation
Red Light Holland (Subco 1) Inc.	Ontario	Unlimited common shares 66,022,630 issued and outstanding	100% owned directly by the Corporation
Red Light Holland (Subco 2) Inc.	Ontario	Unlimited common shares 125,148,706 issued and outstanding	100% owned directly by the Corporation

**SCHEDULE “B”**  
**DETAILS OF OUTSTANDING CONVERTIBLE SECURITIES**  
**AND RIGHTS TO ACQUIRE SECURITIES**

*This is Schedule “B” to the underwriting agreement dated February 9, 2021 between Red Light Holland Corp. and Eight Capital.*

1. **Warrants Outstanding**

The Corporation has the following compensation warrants outstanding:

- 618,550 compensation warrants exercisable for Common Shares at an exercise price of \$0.06 per Common Share with expiry dates between December 20, 2021 and March 13, 2022.
- 2,661,762 compensation warrants exercisable for units at an exercise price of \$0.255 per unit with an expiry date of July 28, 2024. Each unit is comprised of one Common Share and one warrant, with each warrant exercisable at a price of \$0.38 per Common Share until July 28, 2024, subject to an accelerated expiry.

The Corporation has the following warrants outstanding:

- 2,908,334 warrants exercisable for Common Shares at an exercise price of \$0.06 per Common Share with an expiry date of May 27, 2023.
- 7,133,060 warrants exercisable for Common Shares at an exercise price of \$0.26 per Common Share with expiry dates between June 16, 2024 and July 16, 2024.
- 1,625,073 warrants exercisable for Common Shares at an exercise price of \$0.26 per Common Share with expiry dates of June 8, 2024 and June 16, 2024.
- 38,334,100 warrants exercisable for Common Shares at an exercise price of \$0.38 per Common Share with an expiry date of July 28, 2024, subject to an accelerated expiry.

2. **Stock Options Outstanding**

The Corporation has 11,216,668 stock options outstanding, each exercisable for one Common Share. The outstanding stock options are exercisable between \$0.06 and \$0.315 and expire between May 27, 2023 and May 27, 2025.

**SCHEDULE “C”**  
**COMPLIANCE WITH UNITED STATES SECURITIES LAWS**

*This is Schedule “C” to the underwriting agreement dated February 9, 2021 between Red Light Holland Corp. and Eight Capital.*

As used in this Schedule “C” and related appendices, capitalized terms used but not defined herein will have the meanings ascribed to them in the Underwriting Agreement to which this Schedule “C” is annexed and the following terms will have the meanings indicated:

“**Affiliate**” means “affiliate” as that term is defined in Rule 405 under the U.S. Securities Act.

“**Directed Selling Efforts**” means “directed selling efforts” as that term is defined in Rule 902 of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Securities and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Units;

“**Foreign Issuer**” means a “foreign issuer” as that term is defined in Rule 902(e) of Regulation S;

“**General Solicitation**” and “**General Advertising**” mean “general solicitation” and “general advertising”, respectively, as those terms are used under Rule 502(c) of Regulation D promulgated under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

“**Offshore Transaction**” means “offshore transaction” as that term is defined in Rule 902(h) of Regulation S;

“**Preliminary U.S. Private Placement Memorandum**” means the private placement memorandum, including the Preliminary Prospectus, prepared for use in connection with the offer and sale of the Units in the United States or to, or for the account or benefit of, U.S. Persons.

“**QIB Certificate**” means the Qualified Institutional Buyer Letter in the form attached as Exhibit I to the U.S. Private Placement Memorandum.

“**Substantial U.S. Market Interest**” means “substantial U.S. market interest” as that term is defined in Rule 902(i) of Regulation S; and

“**U.S. Exchange Act**” means the United States Securities and Exchange Act of 1934, as amended.

“**U.S. Private Placement Memorandum**” means the private placement memorandum, including the Final Prospectus, prepared for use in connection with the offer and sale of the Units in the United States or to, or for the account or benefit of, U.S. Persons.

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



## **A. Representations, Warranties and Covenants of the Underwriter**

The Underwriter (on its own behalf and on behalf of its U.S. Affiliate) acknowledges that the Units have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Underwriter (on its own behalf and on behalf of its U.S. Affiliate) represents, warrants, covenants and agrees to and with the Corporation that:

1. Neither the Underwriter nor its U.S. Affiliate has offered or sold nor will any of them offer or sell any Units except (a) in an Offshore Transaction, in accordance with Rule 903 of Regulation S or (b) in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person that is a Qualified Institutional Buyer in reliance upon the exemption from registration available under Rule 144A in transactions that are exempt from the registration requirements of applicable state securities laws, as provided in this Schedule "C". Accordingly, none of the Underwriter, the U.S. Affiliates or any of their respective affiliates or any persons acting on their behalf (including any Selling Groups) (i) have engaged or will engage in any Directed Selling Efforts in the United States with respect to the Units; or (ii) except as permitted by this Schedule "C", have made or will make (x) any offers to sell Units in the United States or to, or for the account or benefit of, U.S. Persons or (y) any sale of Units unless at the time the purchaser made its buy order therefor, the Underwriter, the U.S. Affiliate or other person acting on any of their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person or acting for the account or benefit of a U.S. Person.
2. Neither the Underwriter nor its U.S. Affiliate has entered nor will any of them enter into any contractual arrangement with respect to the offer, sale or any distribution of the Units, except with the prior written consent of the Corporation.
3. All offers and sales of Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, have been and will be made through an Underwriter's U.S. Affiliate which in each case is and at all relevant times was and will be a broker-dealer registered pursuant to Section 15(b) of the U.S. Securities Exchange Act of 1934, as amended, and in good standing with the Financial Industry Regulatory Authority Inc., and otherwise in compliance with all applicable U.S. broker-dealer requirements (including those of self-regulatory authorities) and U.S. Securities Laws, and all such offers and sales of Units have been and will be made only in states of the United States where such U.S. Affiliate is registered or otherwise exempt from registration.
4. In connection with offers and sales of Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, no form of General Solicitation or General Advertising has been or will be used. Neither the Underwriter, its U.S. Affiliate, their respective affiliates or any persons acting on their behalf (including any Selling Groups) have engaged or will engage in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer or sale of the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person.
5. Any offer or solicitation of an offer to buy Units that has been made or will be made in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, was or will be made only to Qualified Institutional Buyers with whom such Underwriter, its U.S. Affiliate or the Corporation has a pre-existing relationship prior to such offer or solicitation and a reasonable basis for believing to be a Qualified Institutional Buyer.

6. The Underwriter, through its U.S. Affiliate, will inform all purchasers of the Units in the United States, or purchasing for the account or benefit of, a person in the United States or a U.S. Person that the Units have not been and will not be registered under the U.S. Securities Act and the Units are being offered and sold to such persons in reliance on Rule 144A and similar exemptions under applicable state securities laws. The Underwriter acknowledges that all offers and sales to Qualified Institutional Buyers will be made pursuant to Rule 144A which is a resale exemption and, accordingly, any Units sold to Qualified Institutional Buyers pursuant to Rule 144A will be sold by the Corporation to the Underwriter, as principal, and then resold by the Underwriter to the Qualified Institutional Buyers, with the U.S. Affiliate acting as the Underwriter's selling agent for purposes of the Rule 144A resale transaction.
7. Each offeree in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, has been or will be provided with a copy of one or both of the Preliminary U.S. Private Placement Memorandum or the U.S. Private Placement Memorandum, and no other written material has been or will be used in connection with the offer or sale of the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person. Each person purchasing Units in the United States, or purchasing for the account or benefit of, a person in the United States or a U.S. Person will be, prior to the sale of Units to such persons, required to execute a QIB Certificate. Prior to any offer or sale of Units to each offeree in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, such Underwriter and its U.S. Affiliate each had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer, and at the Closing will continue to have reasonable grounds to believe and will continue to believe that each person purchasing Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, and each purchaser of Units who was offered Units in the United States, or purchasing for the account or benefit of, a person in the United States or a U.S. Person, is a Qualified Institutional Buyer.
8. All offers and sales of Units made outside the United States by the Underwriter, its U.S. Affiliate, their respective affiliates or any persons acting on their behalf (including any Selling Groups) have been and will be made in Offshore Transactions within the meaning of Regulation S.
9. If the Underwriter authorizes any Selling Group to offer and sell Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, through a U.S. Affiliate, the Underwriter will cause each such Selling Group to acknowledge in writing, for the benefit of the Corporation, its agreement to be bound by the provisions of this Schedule "C" in connection with all offers and sales of the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person. The Underwriter will cause its U.S. Affiliate to comply with, and will use its best efforts to ensure compliance by the Selling Group, with the provisions of this Schedule "C" as though such parties are directly party hereto.
10. Offers to sell and solicitations of offers to buy the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, have been and will be made pursuant to and in accordance with exemptions from the registration or qualification requirements of all applicable state securities laws.
11. At least one Business Day prior to the Closing, the Underwriter and its U.S. Affiliate will provide the Corporation (a) a list of all purchasers of the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, and all purchasers of Units who were offered Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, and (b) all executed QIB Certificates.

12. At the Closing, the Underwriter and its U.S. Affiliate will provide a certificate, substantially in the form of Exhibit “A” attached hereto, relating to the manner of the offer of the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, or such persons will be deemed to have represented to the Corporation that they did not offer or sell any Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person.

**B. Representations, Warranties and Covenants of the Corporation**

The Corporation represents, warrants, covenants to the Underwriter and the U.S. Affiliate that:

1. The Corporation is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in the Units.
2. Except with respect to offers and sales in accordance with this Schedule “C” to Qualified Institutional Buyers in reliance upon the exemption from registration available under Rule 144A, neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriter, the U.S. Affiliate, Selling Group, their respective affiliates or any person acting on their behalf, in respect of which no representation is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Units to a person in the United States, that is a U.S. Person or that is acting for the account or benefit of a U.S. Person; or (B) any sale of Units unless, at the time the buy order was or will, have been originated, the purchaser is (i) outside the United States and not a U.S. Person or acting for the account or benefit of a U.S. Person or (ii) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person or acting for the account or benefit of a U.S. Person.
3. All offers and sales of Units made outside the United States by the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriter, its affiliates (including, without limitation, the U.S. Affiliate, Selling Group, their respective affiliates or any person acting on their behalf, in respect of which no representation is made), have been and will be made in Offshore Transactions within the meaning of Regulation S. None of the Corporation, its affiliates, or any person acting on its or their behalf (other than the Underwriter, its affiliates (including, without limitation, the U.S. Affiliate, Selling Group, their respective affiliates or any person acting on their behalf, in respect of which no representation is made), has made or will make any Directed Selling Efforts in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, with respect to the Units.
4. None of the Corporation, its affiliates, or any person acting on its or their behalf, has taken or will take any action that would cause the exemption from the registration requirements of the U.S. Securities Act afforded by Rule 144A or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Units pursuant to this Agreement.
5. None of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriter, its affiliates (including, without limitation, the U.S. Affiliate, Selling Group, their respective affiliates or any person acting on their behalf, in respect of which no representation is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

6. For so long as any of the Units which have been sold to, or for the account or benefit of, persons in the United States or U.S. Persons in reliance upon Rule 144A are outstanding and “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and not eligible for resale pursuant to Rule 144(b)(1) under the U.S. Securities Act, at any time when the Corporation is neither subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Corporation will provide holders and prospective purchasers of Units designated by such holders, upon request, with the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, for so long as the provision of such information is required to permit resales of the Units pursuant to Rule 144A.
7. The Units are not, and as of the Closing will not be, and no securities of the same class as the securities that are or will be: (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Securities Exchange Act of 1934, as amended; (ii) quoted in a “U.S. automated inter-dealer quotation system”, as such term is used for purposes of Rule 144A; or (iii) convertible or exchangeable into, or exercisable for, securities so listed or quoted at an effective conversion or exercise premium (calculated as specified in paragraph (a)(6) and (a)(7) of Rule 144A) of less than ten percent for securities so listed or quoted.
8. The Corporation is not, and following the application of the proceeds of the sale of the Units in the manner described in the Final Prospectus will not be, registered or required to be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder.
9. The Corporation will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the sale of the Units.

EXHIBIT "A"  
UNDERWRITER'S CERTIFICATE

In connection with the private placement in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, of Units of Red Light Holland Corp. (the "**Corporation**"), pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated as of February 9, 2021, between the Corporation and the underwriter named therein (the "**Underwriter**"), the undersigned hereby certify as follows:

1. [●] (the "**U.S. Affiliate**") is a duly registered broker or dealer pursuant to Section 15(b) of the U.S. Securities Exchange Act of 1934, as amended, and under the laws of each applicable state of the United States (unless exempted from the respective state's broker-dealer registration requirements), and was and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale made by it in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, and all offers and sales of Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, have been effected by the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements;
2. all offers of Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, were made only through the U.S. Affiliate and to Qualified Institutional Buyers and have been effected in accordance with all applicable U.S. broker-dealer requirements and Securities Laws;
3. each purchaser of Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, or that was offered Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, was provided with a copy of the U.S. Private Placement Memorandum, and no other written material was used in connection with the offer or sale of the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person;
4. immediately prior to our transmitting the Preliminary U.S. Private Placement Memorandum or the U.S. Private Placement Memorandum to offerees in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, we had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer, and, on the date hereof, we continue to believe that each such offeree purchasing Units is a Qualified Institutional Buyer;
5. we obtained from each person in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, and each offeree in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, in each case that is purchasing Units, an executed QIB Certificate, and we have delivered copies of the same to the Corporation;
6. no form of General Solicitation or General Advertising was used by us, in connection with the offer of the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person;

7. all offers of the Units in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, have been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule “C” thereto.

Capitalized terms used but not defined in this certificate have the meanings given to them in the Underwriting Agreement (including Schedule “C” attached thereto).

Dated this \_\_ day of \_\_\_\_\_, 2021.

**[Underwriter]**

**[US Affiliate of Underwriter]**

By: \_\_\_\_\_  
Authorized Signatory

By: \_\_\_\_\_  
Authorized Signatory