

AGENCY AGREEMENT

March 26, 2019

Innovative Properties Inc. d/b/a Nabis Holdings  
488 – 1090 West Georgia Street  
Vancouver, British Columbia  
V6E 3V7

**Attention: Shay Shnet, Chief Executive Officer**

Dear Sir:

Canaccord Genuity Corp. (“**Canaccord**”) and Eventus Capital Corp. (“**Eventus**” and, together with Canaccord, the “**Co-Lead Agents**”), as co-lead agents, and Desjardins Securities Inc. (together with the Co-Lead Agents, the “**Agents**”) understand that Innovative Properties Inc. d/b/a Nabis Holdings (the “**Corporation**”) proposes to issue and sell up to 30,000 units of the Corporation (the “**Debenture Units**”), at a price of \$1,000 per Debenture Unit (the “**Purchase Price**”), for aggregate gross proceeds of up to \$35,000,000, subject to the terms and conditions set out below. In addition, the Corporation hereby grants the Agents an option (the “**Agents’ Option**”) to increase the size of the Offering by up to an additional 5,000 Debenture Units (the “**Additional Debenture Units**”) for additional gross proceeds of up to \$10,000,000. The Agents’ Option is exercisable at any time up to 48 hours prior to the Closing Date (as hereinafter defined). The Debenture Units and the Additional Debenture Units are collectively referred to herein as the “**Units**” and each, individually, a “**Unit**”. The offer and sale of the Debenture Units and the Additional Debenture Units, if any, are collectively referred to as the “**Offering**”.

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Agents, and the Agents hereby agree to act, as agents to the Corporation to effect the Offering on a commercially reasonable efforts agency basis, without underwriter liability, to Purchasers (as hereinafter defined) in the Designated Provinces (as hereinafter defined), the United States (as hereinafter defined) and those other jurisdictions outside Canada and the United States consented to by the Corporation where the Units may be lawfully sold pursuant to the terms and conditions hereof (the “**Selling Jurisdictions**”).

Each Unit shall be comprised of \$1,000 in principal amount of unsecured convertible debentures of the Corporation (the “**Debentures**”) and an aggregate of 1,111 common share purchase warrants of the Corporation (each, a “**Warrant**”). The Debentures shall bear interest at a rate of 8.0% per annum, payable on the last day of each calendar quarter, maturing 36 months from the Closing Date (the “**Maturity Date**”). The principal amount of the Debentures is convertible, at the option of the holder, into common shares of the Corporation (each a “**Debenture Share**”) at a conversion price equal to \$0.90 per Debenture Share (the “**Conversion Price**”) at any time following the Closing Date until the close of business on the earlier of: (i) the Business Day (as hereinafter defined) immediately preceding the Maturity Date; and (ii) the Business Day immediately preceding the date fixed for redemption of the Debentures by the Corporation, if any. If, at any time following the date that is four months and one day following the Closing Date, the daily volume weighted average trading price of the Common Shares (as hereinafter defined) on the CSE (as hereinafter defined) (or such other stock exchange the Common Shares are trading on) is greater than \$1.65 (subject to adjustment for subdivisions, consolidations or similar events affecting the Common Shares) for the preceding 10 consecutive trading days, the Corporation shall have the option to convert all of the principal amount of the then-outstanding Debentures at the Conversion Price by providing the holders not less than 30 days’ and not more than 60 days’ prior written, in which case, all accrued and unpaid interest on the

Debentures will be paid in cash. The Debentures shall be duly and validly created and issued pursuant to, and governed by, a debenture indenture dated as of the Closing Date (the “**Debenture Indenture**”) to be entered into between Odyssey Trust Company (the “**Debenture Trustee**”), in its capacity as debenture trustee thereunder, and the Corporation. The description of the Debentures herein is a summary only and is subject to the specific attributes and detailed provisions of the Debentures to be set forth in the Debenture Indenture. In the case of any inconsistency between the description of the Debentures in this Agreement and the terms of the Debentures as set forth in the Debenture Indenture, the provisions of the Debenture Indenture shall govern.

Each Warrant will entitle the holder to purchase one common share of the Corporation (a “**Warrant Share**”) at an exercise price of \$1.10 per Warrant Share at any time before 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date (the “**Expiry Time**”), provided that, at any time following the date that is four months and one day following the Closing Date, if the daily volume-weighted average trading price of the Common Shares for the preceding 10 consecutive trading days is greater than \$2.50 per Common Share (subject to any adjustment for subdivisions, consolidations or similar events affecting the Common Shares), the Corporation may, subject to the approval of the CSE (or such other stock exchange on which the Common Shares are then listed), accelerate the expiry date of the Warrants by notice in writing to the holders of Warrants and the Agents whereupon the Warrants will expire on the date that is not less than thirty (30) calendar days immediately following the giving of such notice. The Warrants shall be duly and validly created and issued pursuant to, and governed by, a warrant indenture dated as of the Closing Date (the “**Warrant Indenture**”) to be entered into between Odyssey Trust Company (the “**Warrant Agent**”), in its capacity as warrant agent thereunder, and the Corporation. The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture. In the case of any inconsistency between the description of the Warrants in this Agreement and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

It is acknowledged by the parties that certain purchasers of the Debenture Units will settle directly with the Corporation (the “**Direct Settlers**”). The parties hereto acknowledge that the Agents shall not be required to conduct a suitability review in respect of the sale of any Debenture Units to Direct Settlers and the indemnity set out in Section 10 of this Agreement shall apply in respect of such sales.

The Co-Lead Agents, on behalf of the Agents, shall be entitled to appoint a soliciting dealer group consisting of other registered dealers subject to acceptance by the Corporation (each, a “**Selling Firm**”) as its agents to assist in the Offering. Any fee payable to such dealer(s) shall be for the account of the Agents and shall be negotiated between the Co-Lead Agents, on behalf of the Agents, and the Selling Firm(s). For further clarity, no additional compensation shall payable by the Corporation to the Agents other than as set forth in this Agreement.

In consideration of the services to be rendered by the Agents hereunder and all other matters in connection with the offer and issue and sale of the Units, the Corporation shall, subject to the provisions hereof, pay to the Agents a commission (the “**Commission**”) equal to 6.0% of the aggregate gross proceeds of the Offering, subject to reduction to 3.0% in respect of the gross proceeds of the Offering derived from certain Direct Settlers. The Commission will be payable by the Corporation on the Closing Date. The Commission may be payable in cash or Units, or any combination of cash and Units at the option of the Agents and, if in cash, may be made by way of deduction from the aggregate gross proceeds of the Offering on the Closing Date and shall be fully earned by the Agents at that time.

As additional compensation for the services to be rendered by the Agents hereunder, the Corporation will issue to the Agents (or any Selling Firms(s) engaged by the Agents in amounts as determined by the Co-Lead Agents, on behalf of the Agents) that number of broker warrants (the “**Broker Warrants**”) as is equal

to 6.0% of the gross proceeds of the Offering divided by the Conversion Price, subject to reduction to 3.0% in respect of the gross proceeds of the Offering derived from certain Direct Settlers. Each Broker Warrant will be exercisable to acquire one unit (a “**Broker Unit**”), consisting of one Common Share (each, a “**Broker Unit Share**”) and one Warrant (each, a “**Broker Unit Warrant**”) at an exercise price of \$0.90 until 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date. Each Broker Unit Warrant shall be exercisable to purchase one common share of the Corporation (a “**Broker Unit Warrant Share**”) on the same terms and conditions applicable to the Warrants. References to “Warrant” and “Warrant Share” shall include reference to “Broker Unit Warrant” and “Broker Unit Warrant Share”, respectively.

The parties acknowledge and agree that none of the Units, Debentures, Warrants, Debenture Shares, Warrant Shares, Broker Warrants, Broker Units, Broker Unit Shares, Broker Unit Warrants or Broker Unit Warrant Shares (collectively, the “**Unit Securities**”) have been or will be registered under the U.S. Securities Act (as hereinafter defined) or under the Securities Laws (as hereinafter defined) of any state of the United States and may only be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person (as hereinafter defined) in transactions in accordance with an exemption from the registration requirements of the United States Securities Laws and exemptions under applicable state Securities Laws. All offers and sales of the Units to U.S. Purchasers (as hereinafter defined) have been and will be made only in accordance with Schedule “A” hereto, which forms part of this Agreement.

## DEFINITIONS

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

“**Acquisition Agreements**” means, collectively: (i) a letter of intent dated February 19, 2019 between the Corporation and 50680 28<sup>th</sup> Avenue, LLC; (ii) a term sheet dated January 29, 2019 between the Corporation and Momentum Ideas Co.; (iii) a letter of intent dated January 24, 2019 between the Corporation and PDT Technologies, LLC; (iv) an interim agreement for purchase and sale dated January 23, 2019 among the Corporation, Rize Properties, LLC, 3967 Euclid, LLC and District 3, LLC; (v) a binding term sheet dated January 21, 2019 with the Corporation and Kristen Abelon and Rudy Alarcon; (vi) a binding term sheet dated January 16, 2019 between the Corporation and Kristen Abelon and Rudy Alarcon; and (vii) a letter of intent dated January 15, 2019 among the Corporation, Hillger Enterprises LLC, 50 Knapp LLC, 190 N. Washington LLC and Cannabis Property Brokers of Michigan;

“**Additional Debenture Units**” shall have the meaning ascribed to it above;

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

“**Agents**” shall have the meaning ascribed to it above;

“**Agents’ Option**” shall have the meaning ascribed to it above;

“**Agreement**” means this agreement between the Agents and the Corporation dated as of the date hereof, including all schedules hereto, as amended or supplemented from time to time;

“**Anti-Terrorism Laws**” shall have the meaning ascribed thereto in subsection 3(v);

“**Assets and Properties**” with respect to any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, tangible or intangible, choate or inchoate, absolute, accrued, contingent, fixed or otherwise, and, in each case, wherever situated), including the goodwill related thereto, operated, owned or leased by or in the possession of such Person;

“**Authorizations**” shall have the meaning ascribed there in Section 3(mm) of this Agreement;

“**Broker Unit**” shall have the meaning ascribed to it above;

“**Broker Unit Share**” shall have the meaning ascribed to it above;

“**Broker Unit Warrant**” shall have the meaning ascribed to it above;

“**Broker Unit Warrant Share**” shall have the meaning ascribed to it above;

“**Broker Warrant**” shall have the meaning ascribed to it above;

“**Broker Warrant Certificate**” means the certificate representing the Broker Warrants;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario;

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

“**Claim**” shall have the meaning ascribed thereto in Section 10 of this Agreement;

“**Closing**” means the issuance, delivery and sale of the Units on the Closing Date in accordance with the terms and conditions of this Agreement;

“**Closing Date**” means March 26, 2019, or such other date on which the Closing shall occur, as agreed to by the Co-Lead Agents and the Corporation;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date, or such other time on the Closing Date as agreed to between the Co-Lead Agents and the Corporation;

“**Commission**” shall have the meaning ascribed to it above;

“**Common Shares**” means the common shares of the Corporation, which the Corporation is authorized to issue as constituted on the date hereof;

“**Contracts**” means all agreements, contracts or commitments of any nature, written or oral, including, for greater certainty and without limitation, leases, loan documents, security documents, indentures, trust deeds, mortgages and notes and, in respect of the Corporation and the Subsidiaries, the Acquisition Agreements;

“**Conversion Price**” shall have the meaning ascribed to it above;

“**Corporation**” means Innovative Properties Inc. d/b/a Nabis Holdings, a corporation existing under the *Canada Business Corporations Act*;

“**Corporation’s Auditors**” means Dale Matheson Carr-Hilton LaBonte, LLP or such other firm of chartered accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation;

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

“**Debenture Indenture**” shall have the meaning ascribed to it above;

“**Debenture Share**” shall have the meaning ascribed to it above;

“**Debenture Trustee**” shall have the meaning ascribed to it above;

“**Debenture Units**” shall have the meaning ascribed to it above;

“**Debentures**” shall have the meaning ascribed to it above;

“**Designated Provinces**” means, collectively, each of the provinces and territories of Canada;

“**Direct Settlers**” has the meaning ascribed thereto on page 2 of this Agreement;

“**Disclosure Documents**” means, collectively, all of the documentation which has been disclosed by the Corporation to the public or filed by or on behalf of the Corporation with the relevant Securities Regulators pursuant to applicable Securities Laws and which are publically available;

“**Engagement Letter**” means the letter agreement dated as of January 30, 2019 between the Corporation and the Co-Lead Agents relating to the Offering, as amended on March 6, 2019;

“**Environmental Laws**” means all Laws and agreements with any Governmental Authority and all other statutory requirements relating to public health and safety, noise control, pollution or the protection of the environment or to the generation, production, installation, use, storage, treatment, transportation, release or threatened release of Hazardous Materials, including civil responsibility for acts or omissions with respect to the environment, and all Authorizations issued pursuant to such Law, agreements or other statutory requirements;

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

“**Executive Order**” shall have the meaning ascribed thereto in subsection 3(v);

“**Expiry Time**” shall have the meaning ascribed to it above;

“**Financial Statements**” shall have the meaning ascribed thereto in subsection 3(bb);

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

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

“**Hazardous Materials**” means any contaminant, pollutant, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance that when released into the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health and, without restricting the generality of the foregoing, includes any contaminant, pollutant, subject waste, deleterious substance, industrial waste, toxic matter or hazardous waste as defined by applicable Laws or regulations enacted for the protection of the natural environment or human health;

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

“**Indemnified Party**” shall have the meaning ascribed thereto in Section 10;

“**Intellectual Property**” means any registered or unregistered trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, all associated registrations and applications for registration, and all associated rights, including moral rights;

“**Investor Presentation**” means the investor presentation titled “Innovative Properties Inc. (DBA Nabis Holdings) Investor Presentation” dated February, 2019;

“**knowledge**” means, as it pertains to the Corporation and where such reference to knowledge is not qualified, the actual knowledge of Shay Shnet, Chief Executive Officer and director of the Corporation, and Emmerly Yee Lun Wang, Chief Financial Officer of the Corporation, as at the date of this Agreement, together with the knowledge which they would have had if they had conducted due and applicable inquiry into the relevant subject matter;

“**Laws**” means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Governmental Authority applicable to the Corporation and its Subsidiaries;

“**Leased Premises**” shall have the meaning ascribed thereto in subsection 3(wv);

“**Material Adverse Effect**” means the effect resulting from any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations or prospects of the Corporation or the Subsidiaries on a consolidated basis;

“**Material Subsidiaries**” means, collectively, (i) Nabis (Can) Holdings Corp., a corporation existing under the laws of British Columbia; (ii) Nabis (US) Corp., a corporation existing under the laws of Nevada; and (iii) Nabis Technologies Corp., a corporation existing under the laws of British Columbia;

“**Maturity Date**” shall have the meaning ascribed to it above;

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

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

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

“**OFAC**” shall have the meaning ascribed thereto in subsection 3(v);

“**Offering**” shall have the meaning ascribed to it above;

“**Person**” shall be broadly interpreted and shall include any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“**Purchase Price**” shall have the meaning ascribed to it above;

“**Purchaser**” means a Person (which may include an Agent) who, as purchaser, acquires Units by duly completing, executing and delivering a Subscription Agreement;

“**Regulation S**” means Regulation S as promulgated by the SEC under the U.S. Securities Act;

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

“**Securities Laws**” means, as applicable, all applicable securities Laws in each of the Selling Jurisdictions, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, multilateral and national instruments, orders, blanket rulings, notices and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions, including but not limited to, the CSE;

“**Selling Jurisdictions**” shall have the meaning ascribed to it above;

“**Subscription Agreements**” means, collectively, the subscription agreements in the form agreed to by the Co-Lead Agents and the Corporation pursuant to which Purchasers agree to subscribe for and purchase Units as contemplated herein and shall include, for greater certainty, all schedules and exhibits thereto;

“**Subsidiaries**” means the wholly-owned direct and indirect subsidiaries of the Corporation being, collectively, (i) Nabis (Can) Holdings Corp., a corporation existing under the laws of British Columbia; (ii) Nabis (US) Corp., a corporation existing under the laws of Nevada; (iii) Nabis AZ LLC, a limited liability company existing under the laws of Arizona; (iv) Nabis Holdings Michigan Inc., a corporation existing under the laws of Michigan; (v) Nabis NM LLC, a limited liability company existing under the laws of New Mexico; (vi) Nabis Technologies Corp., a corporation existing under the laws of British Columbia; (vii) Nabis Holdings California, Inc., a corporation existing under the laws of California; (viii) Be In Synergy Inc., a corporation existing under the laws of British Columbia; and (ix) Abis Biopharma Corporation, a corporation existing under the laws of British Columbia, and “**Subsidiary**” shall mean any one of them;

“**subsidiary**” shall have the meaning ascribed thereto in the *Canada Business Corporations Act*;

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

“**Tax Act**” means the *Income Tax Act* (Canada) and all rules and regulations made pursuant thereto, all as may be amended, re-enacted or replaced from time to time and any proposed amendments thereto announced publicly from time to time;

“**Taxes**” shall have the meaning ascribed thereto in subsection 3(t);

“**Transaction Documents**” means, collectively, this Agreement, the Subscription Agreements, any certificates representing the Debentures, the Debenture Indenture, any certificates representing the Warrants, the Warrant Indenture and the Broker Warrant Certificates;

“**Transfer Agent**” means Odyssey Trust Company, in its capacity as transfer agent and registrar of the Corporation at its principal offices in the City of Vancouver, British Columbia;

“**Underlying Shares**” means, collectively, the Debenture Shares issuable upon conversion of the Debentures, the Warrant Shares issuable upon exercise of the Warrants, the Broker Unit Shares issuable upon exercise of the Broker Warrants and the Broker Unit Warrant Shares issuable upon exercise of the Broker Unit Warrants;

“**Unit Securities**” shall have the meaning ascribed to it above;

“**Units**” shall have the meaning ascribed to it above;

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

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

“**U.S. Purchaser**” means (a) any Purchaser in the United States or that is a U.S. Person, (b) any person purchasing Units for the account or benefit of a U.S. Person or any person in the United States, (c) any person that receives or received an offer of the Units while in the United States, and (d) any person that is in the United States at the time the Purchaser’s buy order was made or the Subscription Agreement for Units was executed or delivered, except that U.S. Purchaser shall not include any person excluded from the definition of “U.S. Person” pursuant to Rule 902(k)(2)(vi) of Regulation S or persons holding accounts excluded from the definition of “U.S. person” pursuant to Rule 902(k)(2)(i) of Regulation S, solely in their capacities as holders of such accounts;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**Warrant**” shall have the meaning ascribed to it above;

“**Warrant Agent**” shall have the meaning ascribed to it above;

“**Warrant Indenture**” shall have the meaning ascribed to it above; and

“**Warrant Share**” shall have the meaning ascribed to it above.



## TERMS AND CONDITIONS

1. (a) **Sale on Exempt Basis.** The Agents shall use commercially reasonable efforts to arrange for the purchase of the Units which comprise the Offering:

- (i) in the Designated Provinces on a private placement basis in compliance with applicable Securities Laws; and
- (ii) in the United States or in such other jurisdictions, as may be agreed upon between the Corporation and the Agents, on a private placement basis in compliance with all applicable Securities Laws of such jurisdictions and provided that no prospectus, registration statement or similar document is required to be filed in such jurisdictions, no registration or similar requirement would apply with respect to the Corporation in such other jurisdictions and the Corporation does not thereafter become subject to on-going continuous disclosure obligations in such other jurisdictions. In particular, offers and sales of the Units in the United States or to, or for the account or benefit of, U.S. Persons shall be made pursuant to an applicable exemption or exemptions from the registration requirements of the U.S. Securities Act and applicable exemptions under applicable state Securities Laws in accordance with Schedule "A" of this Agreement.

(b) **Filings.** The Corporation undertakes to file or cause to be filed all forms or undertakings required to be filed by the Corporation in connection with the purchase and sale of the Units so that the distribution of the Units may lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum (other than the Investor Presentation) in Canada, the United States or elsewhere (but on terms that will permit any Unit Securities acquired by the Purchasers and the Agents to be issued to such Purchasers and the Agents subject to, and in compliance with, applicable hold periods and other restrictions under applicable Securities Laws) and the Agents undertake to use commercially reasonable efforts to cause Purchasers under the Offering to complete any forms required by applicable Securities Laws and by the CSE in respect of such distribution. All fees payable in connection with such filings shall be at the expense of the Corporation.

(c) **Offering Memorandum.** Neither the Corporation nor the Agents shall: (i) other than the Investor Presentation, provide to prospective Purchasers any document or other material or information that would constitute an offering memorandum within the meaning of Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Units, including, but not limited to, causing the sale of the Units to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Units whose attendees have been invited by general solicitation or advertising.

2. **Covenants.** The Corporation hereby covenants to the Agents and to the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the Offering, that the Corporation shall:

- (a) allow the Agents and their respective representatives to conduct all due diligence investigations regarding the Corporation and the Subsidiaries that the Agents may reasonably require to be conducted up to and prior to the Closing Date;
- (b) use its commercially reasonable efforts to remain a corporation validly subsisting under the *Canada Business Corporations Act*, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the nature of the activities

conducted by it makes such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable Laws, rules and regulations of each such jurisdiction;

- (c) for a period of 36 months following the Closing Date, use commercially reasonable efforts to maintain its status as a “reporting issuer” under the Securities Laws of the Provinces of Alberta, British Columbia and Ontario not in default of any requirement of such Securities Laws, provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Corporation ceasing to be a “reporting issuer” so long as the holders of Common Shares receive securities of an entity which is listed on a recognized stock exchange in Canada or the United States or cash, and the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the CSE (or such other applicable stock exchange upon which the Common Shares are listed or quoted);
- (d) for a period of 36 months following the Closing Date, use commercially reasonable efforts to maintain the listing of the Common Shares on the CSE or any other recognized stock exchange or quotation system, provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Common Shares ceasing to be listed so long as the holders of Common Shares receive securities of an entity which is listed on a recognized stock exchange in Canada or the United States or cash, and the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the CSE (or such other applicable stock exchange upon which the Common Shares are listed or quoted);
- (e) diligently pursue an application to the CSE in respect of the listing of the Debentures thereon immediately following the expiry of the applicable four month hold period under applicable Securities Laws in Canada and use commercially reasonable efforts to obtain the approval of the CSE for such listing as soon as is practicable following the expiry of such hold period, provided that the Corporation meets all applicable listing requirements of the CSE for the listing of the Debentures thereon;
- (f) diligently pursue an application to the CSE in respect of the listing of the Warrants thereon immediately following the expiry of the applicable four month hold period under applicable Securities Laws in Canada and use commercially reasonable efforts to obtain the approval of the CSE for such listing as soon as is practicable following the expiry of such hold period, provided that the Corporation meets all applicable listing requirements of the CSE for the listing of the Warrants thereon;
- (g) duly execute and deliver the Subscription Agreements (which the Corporation has determined to accept provided that such Subscription Agreements have been duly completed and executed by the Purchasers). In connection with executing and delivering such Subscription Agreements, the Corporation shall execute and deliver any certificates representing the Debentures and Warrants comprising the Units issued pursuant to such Subscription Agreements at the Closing Time, and comply with and satisfy all terms, conditions and covenants therein and herein contained to be complied with or satisfied by the Corporation, at or prior to the Closing Time;
- (h) from the date hereof until 90 days following the Closing Date, not issue any additional equity or quasi-equity securities without prior written consent of the Co-Lead Agents, such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or

exercise of stock options and other similar issuances pursuant to incentive plans of the Corporation and other share compensation arrangements in effect as of the Closing Date; (ii) warrants of the Corporation outstanding on the Closing Date; (iii) obligations in respect of existing agreements existing on the Closing Date; and (iv) the issuance of securities in connection with bona fide property or share acquisitions in the normal course of business;

- (i) use commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in Section 6;
- (j) ensure that, as at the Closing Time, the Debentures shall be authorized, validly created and issued and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Subscription Agreements and the Debenture Indenture;
- (k) ensure that, as at the Closing Time, the Warrants and the Broker Warrants shall be authorized, validly created and issued and shall have attributes corresponding in all material respects to the description thereof set forth in this Agreement, the Subscription Agreements, the Warrant Indenture and the Broker Warrant Certificates, as applicable;
- (l) ensure that, at all times prior to the expiry of the Broker Warrants, a sufficient number of Broker Unit Warrants shall be authorized, validly created and reserved for issuance and shall have attributes corresponding in all material respects to the description set forth in this Agreement and the Warrant Indenture;
- (m) ensure that, upon issuance thereof and payment therefor, the Underlying Shares will be duly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (n) ensure that, at all times prior to the Maturity Date, a sufficient number of Debenture Shares are allotted and reserved for issuance upon the conversion of the Debentures in accordance with their terms;
- (o) ensure that, at all times prior to the expiry of the Warrants, a sufficient number of Warrant Shares are allotted and reserved for issuance upon the due exercise of the Warrants in accordance with their terms;
- (p) ensure that (i) at all times prior to the expiry of the Broker Warrants a sufficient number of Broker Unit Shares are allotted and reserved for issuance upon the exercise of the Broker Warrants in accordance with their terms; and (ii) at all times prior to the expiry of the Broker Unit Warrants (whether or not issued), a sufficient number of Broker Unit Warrant Shares are allotted and reserved for issuance upon the due exercise of the Broker Unit Warrants in accordance with their terms;
- (q) execute and file with the Securities Regulators all forms, notices and certificates relating to the Offering required to be filed pursuant to the Securities Laws in the time required by applicable Securities Laws, including, for greater certainty, all forms, notices and certificates set forth in the opinions delivered to the Agents pursuant to this Agreement required to be filed by the Corporation;
- (r) use the net proceeds of the Offering to fund investments in the United States cannabis industry as well as for general working capital purposes;

- (s) immediately issue a press release upon the Corporation determining to accelerate the expiry date of the Warrants as contemplated in this Agreement and the Warrant Indenture;
- (t) immediately issue a press release upon the Corporation determining to force the conversion of the Debentures as contemplated in this Agreement and the Debenture Indenture;
- (u) subject to applicable Law, obtain the prior approval of the Agents, acting reasonably, as to the content and form of any press release relating to the Offering, such press release to include the following or substantially similar legend: “NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES” and (ii) a disclaimer to the following effect “The securities offered have not been registered under the United States Securities Act of 1933, as amended, or any state securities law, and may not be offered or sold in the United States absent registration or an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy in the United States nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful”;
- (v) use its reasonable commercial efforts to maintain the Transfer Agent or a substituted transfer agent and registrar in respect of the Common Shares;
- (w) use its reasonable commercial efforts to maintain the Warrant Agent or a substituted warrant agent in respect of the Warrants until the Expiry Time;
- (x) use its reasonable commercial efforts to maintain the Debenture Trustee or a substituted debenture trustee in respect of the Debentures until the Maturity Date;
- (y) comply with all the covenants of the Corporation as set out in each of the Debenture Indenture and the Warrant Indenture;
- (z) ensure that upon their respective dates of issuance, the Debenture Shares, the Warrant Shares, the Broker Unit Shares and the Broker Unit Warrant Shares, if and when issued, are listed and posted for trading on the CSE;
- (aa) use its reasonable commercial efforts (including, without limitation, making application to the Securities Regulators for all consents, orders and approvals necessary) to ensure that the Unit Securities will not be subject to any Canadian statutory restricted period (subject to any control person distribution restrictions) applicable to the holders thereof beyond four months and one day following the Closing Date pursuant to NI 45-102;
- (bb) not have taken any action nor will take any action that would cause the exemptions from the prospectus requirements afforded by the Securities Laws to be unavailable for offers and sales of the Units pursuant to this Agreement or for the conversion of the Debentures or for the exercise of the Warrants, the Broker Warrants and the Broker Unit Warrants; and
- (cc) ensure that in conducting its business and operations, (i) it and its Subsidiaries will apply for and obtain all material Authorizations required from any Governmental Authority having jurisdiction to the extent necessary for the Corporation and the Subsidiaries to conduct the business as it is currently conducted and presently proposed to be conducted

(provided that it need only obtain such Authorizations in respect of any proposed operations prior to such time as such operations are commenced); (ii) it and its Subsidiaries will comply with the terms and conditions of all such Authorizations; and (iii) it and its Subsidiaries shall use commercially reasonable efforts to ensure that all of such Authorizations will be valid and in full force and effect as required from time to time.

3. **Representations and Warranties of the Corporation.** The Corporation represents and warrants to the Agents and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in connection with the Offering, that:

- (a) the Corporation and each Subsidiary has been duly incorporated, or formed, and organized and is validly existing under the laws of the jurisdiction in which it was incorporated or formed, as the case may be, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Corporation or any Subsidiary;
- (b) the Corporation and each Subsidiary is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its Assets and Properties requires such qualification and has all requisite corporate power, capacity and authority to conduct its business and own, lease and operate its Assets and Properties and to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and any other document, filing, instrument or agreement delivered in connection with the Offering;
- (c) other than the Subsidiaries, the Corporation has no direct or indirect subsidiaries or any investment or proposed investment in any Person which would otherwise be material to the business and affairs of the Corporation on a consolidated basis. Other than the Material Subsidiaries (i) no Subsidiary is, as of the date hereof, material to the business of the Corporation and the Subsidiaries, taken as a whole, and (ii) no Subsidiary holds any material property or assets or is a party to any material Contract or carries on any active business;
- (d) the Corporation and each Subsidiary: (i) conducts and has been conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which its business is carried on or in which its services are provided and neither the Corporation nor any Subsidiary has received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Laws, and (ii) is not in breach or violation of any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation or such Subsidiary, as applicable;
- (e) the Corporation directly owns all of the issued and outstanding securities of each Subsidiary, all of the issued and outstanding securities of the Subsidiaries are issued as fully paid and non-assessable securities, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or any Subsidiary of any interest in any of the securities or other interests in the capital of such Subsidiary;
- (f) (A) other than material assets or properties which the Corporation or any Subsidiary is in the process of purchasing an interest as described in the Disclosure Documents, the

Corporation and each Subsidiary is the absolute legal and beneficial owner, and has good and valid title to, all of the material Assets and Properties thereof as described in the Disclosure Documents, including all Contracts that are material to the business of the Corporation and the Subsidiaries taken as a whole, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever and no other material assets or properties are necessary for the conduct of the business of the Corporation or the Subsidiaries as currently conducted and as presently proposed to be conducted, (B) the Corporation does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation or the Subsidiaries to use, transfer or otherwise exploit such Assets and Properties, and (C) other than as disclosed in the Disclosure Documents, neither the Corporation nor any Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the Assets and Properties thereof;

- (g) the Corporation is a reporting issuer under the Securities Laws of the Provinces of Alberta, British Columbia and Ontario and is not in default of any requirement of such Securities Laws and is not included on a list of defaulting reporting issuers maintained by the Securities Regulators or other securities regulatory authorities of such Provinces;
- (h) the Common Shares are listed and posted for trading on the CSE, the OTCQB and the Frankfurt Stock Exchange;
- (i) the authorized capital of the Corporation consists of an unlimited number of Common Shares without par value, of which, as at the close of business on March 25, 2019, 95,425,716 Common Shares were issued and outstanding. All of the issued and outstanding shares of the Corporation have been duly and validly issued as fully paid and non-assessable, none of the outstanding shares of the Corporation were issued in violation of any pre-emptive or similar rights of any securityholder of the Corporation and no holder of outstanding shares in the capital of the Corporation is entitled to any pre-emptive or any similar rights to subscribe for any shares or other securities of the Corporation or any Subsidiary;
- (j) at the Closing Time, no rights to acquire, or instruments convertible into or exchangeable for, any shares in the capital of the Corporation will be outstanding and no Person has any agreement, option, right or privilege (contractual or otherwise) capable of becoming an agreement for the purchase or acquisition of any interest in the shares or other securities of the Corporation, other than options issued or issuable under the Corporation's stock option plan (pursuant to which a maximum of 9,542,571 Common Shares may currently be issued before giving effect to the Offering (10% of issued and outstanding Common Shares from time to time)) or any other rights, warrants or options as disclosed in the Disclosure Documents;
- (k) at the Closing Time, all consents, approvals, permits, authorizations or filings as may be required to be made or obtained by the Corporation under applicable Securities Laws and the rules and regulations of the CSE necessary for the execution and delivery of the Transaction Documents and the consummation of the transactions contemplated thereby, including for the listing and posting for trading of the Underlying Shares on the CSE upon the issuance thereof, will have been made or obtained, as applicable (other than the filing of reports required under applicable Securities Laws within the prescribed time periods and the filing of standard documents with the CSE, which documents shall be filed as soon as

practicable after the Closing Date and, in any event, within 10 Business Days of the Closing Date or within such other deadline imposed by applicable Securities Laws or the CSE);

- (l) the Debentures and Warrants comprising the Units, the Debenture Shares, the Warrant Shares, the Broker Warrants, the Broker Unit Shares and the Broker Unit Warrants comprising the Broker Units and the Broker Unit Warrant Shares will not be subject to a Canadian restricted period or to a statutory hold period under the Securities Laws which extends beyond four months and one day after the Closing Date, subject to the conditions set forth in Section 2.5 of NI 45-102;
- (m) the execution and delivery of each of the Transaction Documents and the performance by the Corporation of its obligations thereunder, the issue and sale of the Debentures and Warrants comprising the Units and the Broker Warrants and the consummation of the transactions contemplated in this Agreement, including the issuance of the Debenture Shares, the Warrant Shares, the Broker Unit Shares, the Broker Unit Warrants and the Broker Unit Warrant Shares in accordance with their respective terms do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (whether after notice or lapse of time or both) (i) any statute, rule or regulation applicable to the Corporation or the Subsidiaries, including, without limitation, the Securities Laws and the policies and rules and regulations of the CSE; (ii) the constating documents, by-laws or resolutions of the Corporation or the Subsidiaries which are in effect at the date hereof; (iii) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or the Subsidiaries are a party or by which they are bound; or (iv) any judgment, decree or order binding the Corporation, the Subsidiaries or their respective Assets and Properties;
- (n) at the Closing Time, all necessary corporate action will have been taken by the Corporation to validly create and issue the Debentures and Warrants comprising the Units and to allot, authorize and reserve for issuance the Debenture Shares issuable upon conversion of the Debentures and the Warrant Shares issuable upon exercise of the Warrants, and upon the issue thereof such Debenture Shares and Warrant Shares will be issued as fully paid and non-assessable shares in the capital of the Corporation and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;
- (o) at the Closing Time, all necessary corporate action will have been taken by the Corporation to validly create and issue the Broker Warrants and the Broker Unit Warrants and to allot, authorize and reserve for issuance the Broker Unit Shares issuable upon exercise of the Broker Warrants and the Broker Unit Warrant Shares issuable upon exercise of the Broker Unit Warrants, and upon the issuance thereof, the Broker Unit Shares and Broker Unit Warrant Shares will be issued as fully paid and non-assessable shares in the capital of the Corporation and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;
- (p) at the Closing Time, each of the Transaction Documents shall have been duly authorized and each of the Transaction Documents to be executed and delivered on the Closing Date shall have been duly executed and delivered by the Corporation and upon the execution and delivery of each Transaction Document, each such Transaction Document shall constitute a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its respective terms, except as enforcement thereof may be

limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Law;

- (q) Odyssey Trust Company, at its principal office in Vancouver, British Columbia, has been duly appointed as registered transfer agent in respect of the Common Shares, warrant agent under the Warrant Indenture and debenture trustee under the Debenture Indenture;
- (r) there are no contracts or agreements between either the Corporation or any Subsidiary and any Person granting such person the right to require the Corporation or any Subsidiary to file a registration statement under Securities Laws in the United States or a prospectus under Securities Laws in Canada, with respect to any securities of the Corporation or such Subsidiary owned or to be owned by such Person;
- (s) except as disclosed in the Disclosure Documents, the Corporation has not approved, has not entered into any agreement in respect of, or has any knowledge of:
  - (A) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Corporation or any Subsidiary whether by asset sale, transfer of shares or otherwise;
  - (B) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or any Subsidiary or otherwise) of the Corporation or any Subsidiary; or
  - (C) any proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Corporation or any Subsidiary;
- (t) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes 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 or required to be collected or withheld and remitted, by the Corporation and each of the Subsidiaries have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect and each of the Subsidiaries. All tax returns, declarations, remittances and filings required to be filed by the Corporation 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 or have a Material Adverse Effect. 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 any Subsidiary. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Corporation or any Subsidiary;



- (u) the Corporation and, as applicable, each Subsidiary, has established on its books and records reserves that are adequate for the payment of all Taxes not yet due and payable and there are no liens for Taxes on the assets of the Corporation or the Subsidiaries, and there are no audits pending of the tax returns of the Corporation or any Subsidiary (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency that would result in a Material Adverse Effect;
- (v) to the knowledge of the Corporation, the operations of the Corporation and the Subsidiaries have been conducted at all times in compliance with the applicable federal and state laws relating to terrorism or money laundering (“**Anti-Terrorism Laws**”), including the financial recordkeeping and reporting requirements of The Bank Secrecy Act of 1970, as amended; Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “**Executive Order**”); the Foreign Corrupt Practices Act; the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), and none of the Corporation or the Subsidiaries is (i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person with which the Purchasers are prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (iv) a person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or (v) a person that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control (“**OFAC**”) at its official website or any replacement website or other replacement official publication of such list or any other person (including any foreign country and any national of such country) with whom the United States Treasury Department prohibits doing business in accordance with OFAC regulations. No action, suit or proceeding by or before any Governmental Authority or body or any arbitrator involving the Corporation or any Subsidiary with respect to Anti-Terrorism Laws is pending or, to the knowledge of the Corporation, threatened. The Corporation will not directly or indirectly use the proceeds, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any sanctions administered by OFAC;
- (w) no legal or governmental actions, suits, judgments, investigations, or proceedings are pending to which the Corporation or any Subsidiary is a party or to which the Corporation’s or a Subsidiary’s property or assets are subject which if finally determined adversely to the Corporation or such Subsidiary would be expected to result in a Material Adverse Effect and, to the knowledge of the Corporation, no such proceedings have been threatened against or are contemplated with respect to the Corporation or a Subsidiary, or with respect to their respective property and assets;
- (x) neither the Corporation nor any Subsidiary is in violation of its constating documents or is in default in the performance or observance of any obligation, agreement, covenant or condition contained in any Contract or other agreement or instrument to which it is a party or by which it or its property or assets may be bound in any material respect;

- (y) to the knowledge of the Corporation, no counterparty to a Contract of the Corporation or a Subsidiary is in default or breach of such Contract and there exists no condition, event or act which, with the giving of notice or lapse of time or both would constitute a default or breach by such party under any such Contract except where such default or breach would not be expected to result in a Material Adverse Effect. No party to any Acquisition Agreement has provided notice to the Corporation or any Subsidiary to terminate such Acquisition Agreement and the Corporation has no reason to believe that any such party desires to terminate or propose to amend the material terms of such Acquisition Agreement;
- (z) any and all of the agreements and other documents and instruments pursuant to which the Corporation or any of the Subsidiaries holds its property and assets (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable against the Corporation or the Subsidiaries, as applicable, in accordance with the terms thereof, neither the Corporation nor any of the Subsidiaries is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing, in all material respects, under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licences and claims pursuant to which the Corporation or any of the Subsidiaries derives its interests in such property and assets are in good standing and there has been no material default under any such lease, licence or claim. None of the properties (or any interest in, or right to earn an interest in, any property) of the Corporation or any of the Subsidiaries is subject to any right of first refusal or purchase or acquisition right;
- (aa) each of the Acquisition Agreements is valid and subsisting in full force and effect, enforceable against the Corporation or the Subsidiaries, as applicable, in accordance with the terms thereof, neither the Corporation nor any of the Subsidiaries is in default of any of the material provisions of any Acquisition Agreement nor has any such default been alleged. None of the property, assets or interests proposed to be acquired by the Corporation or the Subsidiaries, as applicable, pursuant to the Acquisition Agreements are subject to any right of first refusal or purchase or acquisition right of any other Person;
- (bb) the audited consolidated financial statements of the Corporation as at and for the years ended October 31, 2018 and 2017 (the “**Financial Statements**”) have been prepared in accordance with IFRS and present fairly, in all material respects, the financial condition of the Corporation and the applicable Subsidiaries, taken as a whole, as at the dates thereof and reflect all assets, liabilities or objectives (absolute, accrued, contingent or otherwise) of the Corporation and the applicable Subsidiaries and the results of the operations and cash flows of the Corporation and the applicable Subsidiaries for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation, as applicable, that are required to be disclosed in such financial statements and there has been no material change in accounting policies or practices of the Corporation since October 31, 2018;
- (cc) there are no material liabilities of the Corporation whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Financial Statements;
- (dd) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management’s

general or specific authorization, and (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets;

- (ee) to the knowledge of the Corporation, the Corporation's Auditors who audited the Financial Statements and who provided their audit report thereon are independent public accountants as required under applicable Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Corporation and the Corporation's Auditors;
- (ff) since October 31, 2018, (A) there has been no material adverse change (actual, proposed or prospective, whether financial or otherwise) in the business, business prospects, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation or the Subsidiaries to the date of this Agreement that has not been generally disclosed, and (B) no transactions have been entered into by the Corporation or the Subsidiaries other than in the ordinary course of business, except as has been disclosed in the Disclosure Documents;
- (gg) there is no material fact known to the Corporation which the Corporation has not disclosed to the Agents which materially and adversely affects, or would reasonably be expected to materially and adversely affect, the assets, liabilities (contingent or otherwise), affairs, business, prospects, operations or condition (financial or otherwise) of the Corporation or the Subsidiaries, on a consolidated basis, or the ability of the Corporation to perform its obligations under the Transaction Documents;
- (hh) the statements set forth in the Investor Presentation in relation to the Offering and the Corporation are true and correct in all material respects and do not contain any misrepresentations;
- (ii) no material fact has been omitted from the Investor Presentation that is required to be stated in the document or is necessary to make the statements made therein in relation to the Offering and the Corporation not misleading in light of the circumstances in which they were made;
- (jj) to the knowledge of the Corporation, the Investor Presentation complies in all material respects with applicable Securities Laws;
- (kk) to the knowledge of the Corporation, the statistical, industry and market related data included in the Investor Presentation are derived from sources which the Corporation reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;
- (ll) there are no material third party consents required to be obtained in order for the Corporation to create and issue the Unit Securities;
- (mm) the Corporation and the Subsidiaries: (i) have conducted and are conducting their respective businesses in material compliance with all applicable Laws of each jurisdiction in which it carries on business; (ii) have not received any correspondence or notice from any Governmental Authority alleging or asserting noncompliance with any applicable Laws or any licences, certificates, approvals, clearances, authorizations, permits, qualifications, consents and supplements or amendments thereto required by any such

applicable Laws (collectively, “**Authorizations**”) and to the knowledge of the Corporation, there are no facts that could give rise to such non-compliance which would be expected to result in a Material Adverse Effect; (iii) possess all Authorizations required for the conduct of their respective business, and such Authorizations are valid and subsisting and in good standing and in full force and effect and the Corporation and the Subsidiaries are not in violation of any term of any such Authorization; (iv) have not received notice of any pending or threatened claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action from any Governmental Authority or third party alleging that any operation or activity of the Corporation or the Subsidiaries is in violation of any applicable Laws or Authorizations and have no knowledge or reason to believe that any such Governmental Authority or third party is considering any such claim, suit, proceeding, hearing, enforcement, audit, investigation, arbitration or other action; (v) have not received notice that any Governmental Authority has taken, is taking or intends to take action to limit, suspend, modify, cancel or revoke any material Authorizations and/or will not grant any required Authorization and have no knowledge or reason to believe that any such Governmental Authority is considering such action; and (vi) have, or have had on their behalf, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were materially complete and correct on the date filed (or were corrected or supplemented by a subsequent submission);

- (nn) neither the Corporation nor any Subsidiary is aware of any licensing or legislation, regulation, by-law or other lawful requirement of any governmental body having lawful jurisdiction over the Corporation or any of the Subsidiaries presently in force or to their collective knowledge, proposed to be brought into force that the Corporation anticipates it or the Subsidiaries will be unable to comply with, to the extent that compliance is necessary, which would reasonably be likely to result in a Material Adverse Effect;
- (oo) the Corporation and the Subsidiaries own or have the right to use all of the Intellectual Property owned or used by their respective business as of the date hereof. All registrations, if any, and filings necessary to preserve the rights of the Corporation and the Subsidiaries in such Intellectual Property have been made and are in good standing. The Corporation and the Subsidiaries have no pending action or proceeding nor any threatened action or proceeding, against any Person with respect to the use of such Intellectual Property and there are no circumstances which cast doubt on the validity or enforceability of such Intellectual Property owned or used by the Corporation and the Subsidiaries. The conduct of the business of the Corporation and the Subsidiaries does not, to the knowledge of the Corporation, infringe upon the intellectual property rights of any other Person. The Corporation and the Subsidiaries have no pending action or proceeding, nor, to the knowledge of the Corporation, is there any threatened action or proceeding against them with respect to the Corporation’s and the Subsidiaries’ use of such Intellectual Property;
- (pp) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;

- (qq) to the knowledge of the Corporation, there is no agreement in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or any Subsidiary;
- (rr) none of the directors, officers or employees of the Corporation or any associate or affiliate of any of the foregoing had or has any material interest, direct or indirect, in any material transaction or any proposed material transaction with the Corporation which materially affects, is material to or will materially affect the Corporation;
- (ss) no union has been accredited or otherwise designated to represent any employees of the Corporation or any Subsidiary and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or any Subsidiary and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or any Subsidiary and none is currently being negotiated by the Corporation or any Subsidiary;
- (tt) there has not been in the last two years and there is not currently any labour disruption or conflict between the Corporation (or any predecessor to the Corporation) and the employees of the Corporation which could reasonably be expected to have a Material Adverse Effect;
- (uu) the Disclosure Documents disclose, to the extent required by applicable Securities Laws, 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 Subsidiaries or for the benefit of any current or former director, officer, employee or consultant of the Corporation or the Subsidiaries (the “**Employee Plans**”), each of which have been maintained in all material respects with its terms and with the requirements prescribed by any and all Laws that are applicable to such Employee Plan;
- (vv) the Corporation and the Subsidiaries are each in compliance in all material respects with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and have not and are not engaged in any unfair labour practice;
- (ww) with respect to each premises of the Corporation or the Subsidiaries which is material to the Corporation and the Subsidiaries, taken as a whole, and which the Corporation or any Subsidiary occupies as tenant (collectively, the “**Leased Premises**”), the Corporation or a Subsidiary, as applicable, 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 and/or any Subsidiary occupies the Leased Premises is in good standing and in full force and effect;
- (xx) neither the Corporation nor any Subsidiary owns any real property;
- (yy) none of the directors, officers or employees of the Corporation or any Subsidiary, any Person who owns, directly or indirectly, more than 10% of any class of securities of the

Corporation or securities of any person exchangeable for more than 10% of any class of securities of the Corporation, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such Person) with the Corporation or any Subsidiary which, as the case may be, materially affects, is material to or would reasonably be expected to materially affect the Corporation, on a consolidated basis;

- (zz) there are no actions, suits, judgments, investigations, inquiries or proceedings of any kind whatsoever outstanding (whether or not purportedly on behalf of the Corporation or any Subsidiary), pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation, any Subsidiary or any of their respective directors or officers, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the knowledge of the Corporation, there is no basis therefor and neither the Corporation nor any Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may affect, is material to or will materially affect the Corporation or any Subsidiary or their respective property or assets or could adversely affect the ability of the Corporation to perform its obligations under this Agreement;
- (aaa) the Corporation's and its Subsidiaries' insurance policies are valid and enforceable and in full force and effect, are underwritten by unaffiliated and reputable insurers, are sufficient for all requirements of applicable Law and provide insurance, including liability and product liability insurance, in such amounts and against such risks as is customary for corporations engaged in businesses similar to that carried on by the Corporation and the Subsidiaries. The Corporation and the Subsidiaries are not in default in any material respect with respect to the payment of any premium or compliance with any of the provisions contained in any such insurance policy and have not failed to give any notice or present any claim within the appropriate time therefor. There are no circumstances under which the Corporation or the Subsidiaries would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policy which has not been given. The Corporation and the Subsidiaries have not received notice from any of the insurers regarding cancellation of such insurance policy;
- (bbb) (i) the Corporation and the Subsidiaries, their respective Assets and Properties and the operation of their respective businesses, have been and are, to the knowledge of the Corporation, in compliance in all material respects with all Environmental Laws; (ii) the Corporation and the Subsidiaries are not in violation of any regulation relating to the release or threatened release of Hazardous Materials; (iii) the Corporation and the Subsidiaries have complied in all material respects with all reporting and monitoring requirements under all Environmental Laws; (iv) the Corporation and the Subsidiaries have operated their respective business and received, handled, used, stored, treated, shipped and disposed of all Hazardous Materials, in each case, in compliance with all applicable Environmental Laws; (v) the Corporation and the Subsidiaries have never received any notice of any material non-compliance in respect of any Environmental Laws; (vi) there are no events or circumstances that might reasonably be expected to form the basis of an order for clean up or remediation, or an action, suit or proceeding by any private party or governmental body or agency, against or affecting the Corporation or the Subsidiaries relating to Hazardous Materials or any Environmental Laws; and (vii) there are no Environmental Permits necessary to conduct the business;

- (ccc) neither the Corporation nor any of the Subsidiaries has made any loans to, or guaranteed the obligations of, any Person;
- (ddd) the minute books and records of the Corporation and the Subsidiaries for the period from their respective dates of incorporation to the date hereof and made available to the Co-Lead Agents and their counsel are all of the minute books and records of the Corporation and the Subsidiaries and contain copies of all proceedings other than in respect of the Offering (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Corporation and the Subsidiaries to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Corporation and the Subsidiaries during such period not reflected in such minute books and other records, other than those which are not material to the Corporation and the Subsidiaries, taken as a whole;
- (eee) all information which has been prepared by the Corporation relating to the Corporation, the Subsidiaries and their respective business, property and liabilities and made available to the Agents, including the Investor Presentation and all financial, marketing, sales and operational information related to the Corporation, the Subsidiaries and their respective business provided to the Agents was as of the date of such information and is, as of the date hereof, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading and did not contain a misrepresentation;
- (fff) the Corporation is in compliance in all respects with its timely and continuous disclosure obligations under the Securities Laws of the Provinces of Alberta, British Columbia, and Ontario and the policies, rules and regulations of the CSE and, without limiting the generality of the foregoing, there has not occurred any material adverse change in the assets, liabilities (contingent or otherwise), business, condition (financial or otherwise), capital or prospects of the Corporation and the Subsidiaries, taken as a whole, since October 31, 2018, which has not been publicly disclosed on a non-confidential basis and, except as may have been corrected by subsequent disclosure, the statements set forth in the Disclosure Documents were true, correct and complete in all material respects and did not contain any misrepresentation as of the date of such statements and the Corporation has not filed any confidential material change reports since the date of such statements which remain confidential as at the date hereof;
- (ggg) none of the Corporation, the Subsidiaries or to the knowledge of the Corporation their officers or directors is aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part 16 – *Civil Liability* of the *Securities Act* (British Columbia) or comparable legislation under the applicable Securities Laws of the Designated Provinces;
- (hhh) other than the Agents, there is no Person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder's fee or other compensation in connection with the transactions contemplated by this Agreement;
- (iii) the Debentures, Warrants, Warrant Shares and Debenture Shares will be qualified investments under the Tax Act, eligible for investment in a registered retirement savings

plan, a registered retirement income fund, a registered education savings plan, a deferred profit sharing plan and a tax-free savings account;

- (jjj) the Corporation is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest with respect to any class of securities of the Corporation to be offered, sold or issued pursuant to Regulation S; and
- (kkk) the Corporation is not, and after giving effect to the Offering and the application of the proceeds of the Offering, will not be, registered or required to register as an “investment company” as such term is defined under the United States Investment Company Act of 1940, as amended, under such Act.

It is further agreed by the Corporation that all representations and warranties of the Corporation in this Section 3 made by the Corporation to the Agents shall also be deemed to be made for the benefit of the Purchasers as if the Purchasers were also parties hereto (it being agreed that the Agents are acting for and on behalf of the Purchasers for this purpose).

4. **Representations, Warranties and Covenants of the Agents.** Each of the Agents hereby, severally and not jointly nor jointly and severally, represents, warrants and covenants to the Corporation, and acknowledges that the Corporation is relying upon such representations, warranties and covenants in connection with the Offering, that:

- (a) it has been duly incorporated, or formed, and organized and is validly existing under the laws of the jurisdiction in which it was incorporated or formed, as the case may be and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of such Agent;
- (b) it has good and sufficient right and authority to enter into this Agreement and to complete the transactions contemplated under this Agreement and any other documents in connection with the Offering to which it is a party;
- (c) its will use its commercially reasonable efforts to arrange for Purchasers in the Selling Jurisdictions;
- (d) its has complied and will comply, and shall require any Selling Firm to comply, with all applicable Securities Laws in connection with the sale of the Units, and shall offer the Units for sale directly and through Selling Firms upon the terms and conditions set out in this Agreement. Any Selling Firm appointed by such Agent shall be compensated by such Agent from its compensation hereunder;
- (e) it and its representatives (including any Selling Firms) have not engaged in or authorized, and will not engage in or authorize any form of general solicitation or general advertising in connection with or in respect of the Units in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio, television or otherwise conducted any seminar or meeting concerning the offer or sale of the Units whose attendees have been invited by any general solicitation or general advertising;
- (f) it has not and will not: (i) provide prospective Purchasers with any document or other material that would constitute an offering memorandum within the meaning of applicable



Securities Laws, other than the Investor Presentation; or (ii) solicit offers to purchase or sell the Units so as to require the filing of a prospectus or registration statement with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501) or a statutory right of action under the laws of any jurisdiction; and

- (g) it is acquiring the Broker Warrants as principal for its own account and not for the benefit of any other Person and is acquiring the Broker Warrants for investment only and not with a view to resale or distribution of the Broker Warrants and the Agent is an “accredited investor” as such term is defined in NI 45-106.

5. **Closing Deliveries.** The purchase and sale of the Units shall be completed at the Closing Time on the Closing Date at the offices of McMillan LLP, Vancouver, BC, or at such other place as the Co-Lead Agents and the Corporation may agree. At or prior to the Closing Time, the Corporation shall deliver to the Agents:

- (a) the opinions, certificates and agreements referred to in Section 6 and all other documents required to be provided by the Corporation to the Agents pursuant to this Agreement and the Subscription Agreements;
  - (b) certificates representing the Debentures and Warrants comprising the Units registered in the name of “CDS & Co.” or any Purchaser or in such other name or names as the Agents may direct. Notwithstanding the foregoing, if the Agents and the Corporation determine to issue any of the Debentures and Warrants comprising the Units as book-entry only securities in accordance with the “non-certificated inventory” rules and procedures of CDS, then as an alternative or in addition to the Corporation delivering one or more definitive certificates representing such Debentures and Warrants comprising the Units, the Agents will provide a direction to CDS with respect to the crediting of the Debentures and Warrants comprising the Units to the accounts of participants of CDS as shall be designated by the Agents in writing in sufficient time prior to the Closing Date to permit such crediting;
  - (c) the Corporation’s receipt for payment by the Agents of an amount equal to the aggregate purchase price for the Units sold pursuant to the Offering less an amount equal to the Commission and the costs and expenses of the Agents provided for in Section 12; and
  - (d) such further documentation as may be contemplated by this Agreement or as counsel to the Agents or the applicable regulatory authorities may reasonably require;
- against
- (e) all duly completed Subscription Agreements tendered by the Purchasers for the Units being issued and sold and, where applicable, all completed forms, schedules and certificates contemplated by the Subscription Agreements;
  - (f) wire transfer of immediately available funds in an amount equal to the aggregate purchase price for the Units sold pursuant to the Offering, less an amount equal to the Commission and the costs and expenses of the Agents provided for in Section 12; and
  - (g) the Agent’s receipt for the Commission, the costs and expenses of the Agents provided for in Section 12 and the Units delivered to the Agents in accordance with this Section 5.

6. **Closing Conditions.** Each Purchaser's obligation to purchase the Units at the Closing shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Agents shall have received at the Closing Time a certificate dated the Closing Date, signed by an appropriate officer or officers of the Corporation addressed to the Agents, with respect to the constating documents of the Corporation, all resolutions of the Corporation's board of directors relating to the Transaction Documents and the Broker Warrant Certificates and otherwise pertaining to the purchase and sale of the Units and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers and such other matters as the Agents may reasonably request;
- (b) the Agents shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation, or such other officer or director of the Corporation as the Agents may agree, certifying for and on behalf of the Corporation, without personal liability, to the best of the knowledge, information and belief of the persons so signing, that:
  - (i) the Corporation has complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time;
  - (ii) the representations and warranties of the Corporation contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement; and
  - (iii) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any 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 officer, contemplated or threatened by any regulatory authority;
- (c) the Agents shall have received satisfactory evidence that notice of the Offering has been provided to the CSE, and all requisite filings have been made with the CSE in order to complete the Offering, in each case in accordance with the applicable policies of the CSE;
- (d) the Agents shall have received satisfactory evidence that all requisite approvals and consents have been obtained by the Corporation in order to complete the Offering and remain in full force and effect;
- (e) each of the Transaction Documents shall be in a form acceptable to the Co-Lead Agents, acting reasonably, and shall have been executed and delivered by the Corporation;
- (f) the Agents shall have received a certificate from Odyssey Trust Company as to the number of Common Shares issued and outstanding as at a date not more than two Business Days prior to the Closing Date;
- (g) the Agents shall have received legal opinions addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents, acting reasonably, dated as of the Closing Date, from McMillan LLP, counsel to the Corporation, or local counsel with respect to

those matters governed by the laws of jurisdictions other than the jurisdictions in which it is qualified to practice, which counsel in turn may rely, as to matters of fact, on certificates of public officials and officers of the Corporation, as appropriate, with respect to the following matters:

- (i) the incorporation and valid existence of the Corporation;
- (ii) the authorized and issued and outstanding capital of the Corporation immediately prior to the Closing Time;
- (iii) the corporate power and capacity of the Corporation to execute and deliver the Transaction Documents and to perform all of its obligations thereunder and to create and issue the Unit Securities;
- (iv) the Corporation has the corporate power and capacity under the laws of Canada to carry on business as presently carried on and to own, lease and operate its Assets and Properties;
- (v) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of the Transaction Documents and the performance by the Corporation of its obligations thereunder;
- (vi) each of the Transaction Documents to be executed and delivered on the Closing Date has been authorized, executed and delivered by the Corporation, and constitute, and each certificate representing Warrants that is executed and delivered following the Closing Date will constitute, a valid and legally binding agreement of the Corporation enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the qualification that the enforceability of rights of indemnity, contribution and waiver and the ability to sever unenforceable terms may be limited by applicable Law;
- (vii) the Debentures, the Warrants and the Broker Warrants have been authorized, created and validly issued by the Corporation;
- (viii) the Broker Unit Warrants have been authorized, created and reserved for issuance by the Corporation;
- (ix) the Debenture Shares have been reserved for issuance and such Debenture Shares, when issued and delivered by the Corporation in accordance with the terms of the Debenture Indenture, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (x) the Warrant Shares have been reserved for issuance and such Warrant Shares, when issued and delivered by the Corporation in accordance with the terms of the Warrant Indenture, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;

- (xi) the Broker Unit Shares have been reserved for issuance and, when issued and delivered by the Corporation in accordance with the terms of the Broker Warrants, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (xii) the Broker Unit Warrant Shares have been reserved for issuance and, when issued and delivered by the Corporation in accordance with the Warrant Indenture, will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;
- (xiii) each of: (A) the execution and delivery of the Transaction Documents; (B) the performance by the Corporation of its obligations thereunder; and (C) the sale or issuance of the Unit Securities do not and will not conflict with or result in a breach of, or constitute (with or without notice or lapse of time or both) a default under any of the provisions of: (i) any applicable Laws of the Province of British Columbia and the federal Laws applicable thereon; (ii) the articles and by-laws of the Corporation; or (iii) any resolution of shareholders or directors of the corporation;
- (xiv) the appointment of Odyssey Trust Company as (i) transfer agent of the Common Shares; (ii) debenture trustee under the Debenture Indenture; and (iii) warrant agent under the Warrant Indenture;
- (xv) the issuance and sale of the Debentures, Warrants and Broker Warrants being exempt from the prospectus requirements of applicable Securities Laws in the Designated Provinces and no filing, proceeding, approval, permit, consent or authorization being required to be made, taken or obtained by the Corporation under applicable Securities Laws in connection with such issuance and sale;
- (xvi) the issuance of the Debenture Shares upon conversion of the Debentures in accordance with the Debenture Indenture, the Warrant Shares upon the exercise of the Warrants in accordance with the Warrant Indenture, the Broker Unit Shares and Broker Unit Warrants upon exercise of the Broker Warrants in accordance with the terms of the Broker Warrant Certificates and the Broker Unit Warrant Shares upon exercise of the Broker Unit Warrants in accordance with the terms of the Warrant Indenture will be exempt from the prospectus requirements of applicable Securities Laws in the Designated Provinces and no filing, proceeding, approval, permit, consent or authorization being required to be made, taken or obtained by the Corporation under applicable Securities Laws in connection with such issuance;
- (xvii) that, based on the current provisions of the Tax Act, the Debentures, Warrants, Warrant Shares and Debenture Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans and tax free saving accounts;
- (xviii) the first trade of the Unit Securities in the Designated Provinces; and

- (xix) the Corporation is a reporting issuer under applicable Securities Laws in each of the Designated Provinces and is not on the list of defaulting issuers maintained under such legislation.
- (h) the Agents shall have received a favourable legal opinion addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agent, acting reasonably, dated as of the Closing Date, from counsel to each of the Material Subsidiaries, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Material Subsidiaries, as appropriate, with respect to the following matters:
  - (i) each Material Subsidiary is a corporation existing under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, as the case may be, and has all requisite corporate power to carry on its business as now conducted and to own, lease and operate its property and assets;
  - (ii) as to the authorized and issued and outstanding capital of each Material Subsidiary; and
  - (iii) all of the issued and outstanding shares of each Material Subsidiary are registered, directly or indirectly, in the name of the Corporation;
- (i) if any Units are offered and sold in the United States, the Corporation shall cause a favourable legal opinion to be delivered to the Agents by United States counsel to the Corporation, such opinion to be subject to such qualifications and assumptions as the Agents may agree and in form and substance satisfactory to the Agents, acting reasonably, to the effect that no registration of the Debentures and Warrants comprising the Units offered and sold in the United States, the Debenture Shares issuable upon conversion of the Debentures or the Warrant Shares issuable upon exercise of the Warrants will be required under the U.S. Securities Act in connection with such offer and sale, provided such offers and sales are made in compliance with Schedule "A" to this Agreement and provided further that it is being understood that no opinion is expressed as to any subsequent resale of any Debentures, Warrants, Debenture Shares and Warrant Shares;
- (j) the Agents shall have received a certificate of status (or the equivalent) in respect of the Corporation and each Subsidiary dated the Business Day immediately prior to the Closing Date or such other date as the Corporation and the Agents may agree; and
- (k) the Agents shall be satisfied in its sole discretion with its due diligence review and investigations of the Corporation, the Subsidiaries, and their respective business and affairs or otherwise.

## 7. Termination Events.

- (a) Each of the Agents shall be entitled to terminate its obligations hereunder and the obligations of the Purchasers in relation to the Offering by written notice to that effect given to the Corporation at or prior to any Closing Time if:
  - (i) there should occur any material change (actual, contemplated or threatened) or any change in a material fact or occurrence of a new or previously undisclosed material fact or event in the business, operations, assets, affairs, capital or condition (financial or otherwise) of the Corporation or any Subsidiary which, in the reasonable opinion of the Agent, would

reasonably be expected to have a significant adverse effect on the business, affairs or profitability of the Corporation or on the market price or value of the securities of the Corporation;

- (ii) the Agents are not satisfied, in their sole discretion, acting reasonably and in good faith with the results of its due diligence review;
- (iii) the Corporation is in breach of a term, condition or covenant of this Agreement and/or the Engagement Letter or any representation or warranty given by the Corporation herein or therein becomes or is false, untrue or misleading;
- (iv) the state of the national or international financial markets is such that, in the reasonable opinion of the Agent, the Units cannot be profitably marketed;
- (v) any order to cease trading in securities of the Corporation is made or threatened by a regulatory authority;
- (vi) any inquiry, action, suit, proceeding or investigation (whether formal or informal) (including matters of regulatory transgression or unlawful conduct) 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 promoters or principal shareholders which, in the sole opinion of such Agent, acting reasonably, has or would be expected to have a significant adverse effect on the market price or value of the securities of the Corporation or on the marketability of the Offering; or
- (vii) there should develop, occur or come into effect any event of any nature, including without limitation, terrorism, accident, or new or change in governmental law or regulation or other condition or financial occurrence of national or international consequence which, in the sole opinion of such Agent, acting reasonably, has or would be expected to have a significant adverse effect on the financial markets generally or the business, affairs, operations or profitability of the Corporation or the market price or value of the securities of the Corporation or the marketability of the Offering.

(b) The Corporation agrees that: (i) all material terms and conditions in this Agreement shall be construed as conditions and complied with so far as the same relate to acts to be performed or caused to be performed by the Corporation; (ii) it will use commercially reasonable efforts to cause such conditions to be complied with; and (iii) any breach or failure by the Corporation to comply with any of such conditions shall entitle any Agent, at its option in accordance with Section 7, to terminate its obligations under this Agreement (and the obligations of the Purchasers arranged by them to purchase the Units) by notice to that effect given to the Corporation at or prior to the Closing Time. The Agents may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agents only if the same is in writing and signed by the Agents.

8. **Exercise of Termination Right.** The rights of termination contained in Section 7 may be exercised by each of the Agents acting alone and are in addition to any other rights or remedies the Agents may have in respect of any of the matters contemplated by this Agreement or otherwise. Any such termination shall not discharge or otherwise affect any obligation or liability of the Corporation provided herein or prejudice any other rights or remedies any party may have as a result of any breach, default or non-compliance by any other party. In the event of any such termination by the Agents, there shall be no further liability on the

part of the Agents to the Corporation or on the part of the Corporation to the Agents except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions prior to such termination under Sections 10, 11 and 12.

9. **Survival of Representations, Warranties and Covenants.** All terms, warranties, representations, covenants and agreements herein contained or contained in any documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the purchase and sale of the Units and continue in full force and effect for the benefit of the Agents, the Purchasers and/or the Corporation, as the case may be, regardless of the Closing of the Offering for a period of two (2) years following the Closing Date and regardless of any investigations which may be carried out by the Agents or on its behalf and shall not be limited or prejudiced by any investigation made by or on behalf of the Agents in connection with the purchase and sale of the Units or otherwise. In this regard, the Agents shall act as trustee for the Purchasers and accept these trusts and shall hold and enforce such rights on behalf of the Purchasers. Notwithstanding the foregoing, any provisions of this Agreement in any manner relating to indemnification or contribution obligations shall survive and continue, in full force and effect, indefinitely.

10. **Indemnity.** The Corporation agrees to indemnify and hold harmless the Agents and their respective affiliates and syndicate or selling group members and each of their respective directors, officers, employees, partners, agents and shareholders (collectively, the “**Indemnified Parties**” and individually, an “**Indemnified Party**”), to the full extent lawful, from and against any and all expenses, losses (other than a loss of profits of such Indemnified Party), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages and liabilities, joint or several, (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending and/or settling any action, suit, proceeding, investigation or claim (collectively, the “**Claims**”) that may be made or threatened against any Indemnified Party by a third party) to which any Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder or otherwise in connection with the matters set out in this Agreement, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (i) an Indemnified Party has been grossly negligent or has committed wilful misconduct or any fraudulent act in the course of such performance; and
- (ii) the expenses, losses, claims, damages or liabilities to which the Indemnified Party makes a claim for indemnification were directly caused by the gross negligence, willful misconduct for fraud referred to in (i) immediately above.

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

The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or any Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or if any such entity shall investigate the Corporation and/or any Indemnified Party and an Indemnified Party and any of its personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of this Agreement, the Engagement Letter, or the performance of professional services rendered to the Corporation by the Agents hereunder and thereunder,

such Indemnified Party or its personnel shall have the right to employ its own counsel in connection therewith, provided that the Indemnified Party acts reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (at normal per diem rates) and out-of-pocket expenses incurred by the Indemnified Party and any of its personnel in connection therewith shall be paid by the Corporation as they occur.

Promptly after receiving notice of an action, suit, proceeding or claim against an 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 Corporation, the Indemnified Party will notify the Corporation in writing of the commencement and particulars thereof, will provide copies of all relevant documentation to the Corporation and, unless the Corporation assumes the defence thereof (as contemplated below), will keep the Corporation advised of the progress thereof and will discuss all significant actions proposed. However, the omission to so notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Indemnified Party. The Corporation shall, on behalf of itself and the Indemnified Party, be entitled (but not required), at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel acceptable to the Indemnified Party, acting reasonably. Upon the Corporation notifying the Indemnified Party in writing of its election to assume the defence and retaining counsel, the Corporation shall not be liable to such Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Indemnified Party, will keep the Indemnified Party advised of the progress thereof and will discuss with the Indemnified Party all significant actions proposed.

Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Corporation's expense, to employ counsel of such Indemnified Party's choice (provided that such counsel is acceptable to the Corporation, acting reasonably), in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Corporation; or (ii) the Corporation has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Corporation (in which event and to that extent, the Corporation shall not have the right to assume or direct the defence on the Indemnified Party's behalf) or that there is a conflict of interest between the Corporation and the Indemnified Party or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Corporation shall not have the right to assume or direct the defence on the Indemnified Party's behalf).

No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Indemnified Parties. No admission of liability shall be made and the Corporation shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.

With respect to any Indemnified Party who is not a party to this Agreement, the Agents shall obtain and hold the rights and benefits of this Section 10 in trust for and on behalf of such Indemnified Party.

The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to those Indemnified Parties who are not signatories to this Agreement and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation and the Indemnified Parties.



The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement and continue in full force and effect, indefinitely.

11. (a) **Contribution.** In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 10 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Agents or enforceable otherwise than in accordance with its terms, the Corporation and the Agents shall contribute to the aggregate of all claims, expenses, costs and liabilities (including any legal expenses reasonably incurred by the Indemnified Party in connection with any claim which is the subject of this Section 10) and all losses (other than loss of profits) of a nature contemplated in Section 10 in such proportions as are appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Agents on the other hand, but also the relative fault of the Corporation and the Agents, as well as any relevant equitable consideration. The Agents shall not in any event be liable to contribute, in the aggregate, any amounts in excess of such aggregate fees or any portion of such fees actually received by the Agents pursuant to this Agreement. However, no party who has engaged in any fraud, fraudulent misrepresentation, wilful misconduct or gross negligence shall be entitled to claim contribution from any Person who has not engaged in such fraud, fraudulent misrepresentation, wilful misconduct or gross negligence.

(b) **Right of Contribution in Addition to Other Rights.** The rights to contribution provided in this Section 11 shall be in addition to and not in derogation of any other right to contribution which the Agents may have by statute or otherwise at law.

(c) **Calculation of Contribution.** In the event that the Corporation may be held to be entitled to contribution from the Agents under the provisions of any statute or at law, and provided that the Agents have not engaged in any fraud, fraudulent misrepresentation, wilful misconduct or gross negligence the Corporation shall be limited to contribution in an amount not exceeding the lesser of:

- (i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Agents are responsible, as determined in Section 11(a) above; and
- (ii) the amount of the aggregate fee actually received by the Agents from the Corporation under this Agreement.

(d) **Notice.** If the Agents have reason to believe that a claim for contribution may arise, it shall give the Corporation notice of such claim in writing, as soon as reasonably possible, but failure to notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Agents under this Section 11, unless the Corporation is materially prejudiced by such failure to notify.

12. **Expenses.** Whether or not the Offering is completed, the Corporation will bear all of the Agents' reasonable expenses and fees in connection with the Offering and the qualification of the distribution of the Units, including, but not limited to: (i) all expenses of or incidental to the issue, sale or distribution of the Units; (ii) the fees of the Agent's legal counsel, all disbursements of such legal counsel and all applicable taxes on such fees and disbursements; and (iii) all costs incurred in connection with the preparation of documentation relating to the Offering. All fees and expenses incurred by the Agents or on their behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Agents, and in any event no later than 15 days following receipt of an invoice from the Agents in respect of such fees, disbursements and expenses. At the option of the Agents, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Corporation at the Closing.

13. **Advertisements.** The Corporation acknowledges that the Agents shall have the right after the Closing, subject always to Sections 1(a) and (c) of this Agreement, at their own expense, subject to the prior consent of the Corporation, such consent not to be unreasonably withheld or delayed, to place such advertisement or advertisements relating to the purchase and sale of the Units contemplated herein as the Agents may consider desirable or appropriate and as may be permitted by applicable Law. The Corporation and the Agents each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration or other similar requirements under applicable Securities Laws in any of the provinces of Canada or any other jurisdiction in which the Units shall be offered and sold being unavailable in respect of the sale of the Units to prospective purchasers.

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

(a) if to the Corporation, to:

Innovative Properties Inc. d/b/a Nabish Holdings  
488 – 1090 West Georgia Street  
Vancouver, British Columbia  
V6E 3V7

Attention: Shay Shnet, Chief Executive Officer  
Email: sshnet@nabisholdings.com

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

McMillan LLP  
Brookfield Place, Suite 4400  
181 Bay Street  
Toronto, ON M5J 2T3

Attention: Desmond Balakrishnan  
Email: desmond.balakrishnan@mcmillan.com

(b) if to the Agents, to:

Canaccord Genuity Corp.  
Brookfield Place  
161 Bay Street, Suite 3000  
Toronto, ON M5J S1

Attention: Graham Saunders  
Email: gsaunders@canaccordgenuity.com

Eventus Capital Corp.  
Brookfield Place  
181 Bay Street  
Toronto, ON M5J 2T3

Attention: Jeffrey Zicherman  
Email: jzicherman@eventuscapital.com

Desjardins Securities Inc.  
25 York Street, Suite 1000  
Toronto, ON M5J 2V5

Attention: William Tebbutt  
Email: bill.tebbutt@desjardins.com  
with a copy to (which shall not constitute notice hereunder):

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

Attention: Sanjeev Patel  
Email: spatel@wildlaw.ca

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

Each notice shall be personally delivered to the addressee or sent by electronic transmission to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day before 5:00 p.m., be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by electronic transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

15. **Obligations of the Agents.** In performing their respective obligations under this Agreement, the Agents shall be acting severally and neither jointly nor jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture among any of the Agents. The Agents' respective obligations and rights and benefits hereunder shall be as to the following percentages:

Canaccord Genuity Corp.	-	47.5%
Eventus Capital Corp.	-	47.5%
Desjardins Securities Inc.	-	5.0%

16. **Agents' Authority.** The Corporation shall be entitled to and shall act on any notice, request, direction, consent, waiver, extension and other communication given or agreement entered into by or on behalf of the Agents by the Co-Lead Agents who shall represent the Agents and have authority to bind all the Agents hereunder. In all cases, the Co-Lead Agents shall use their best efforts to consult with the other Agents prior to taking any action contemplated herein.

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

18. **Canadian Dollars.** All references herein to dollar amounts are to lawful money of Canada.

19. **Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

20. **Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.
21. **Entire Agreement.** This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings including for greater certainty, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.
22. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.
23. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
24. **Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Agents and the Purchasers and their respective executors, heirs, successors and permitted assigns including any resulting issuer; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.
25. **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.
26. **Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.
27. **Language.** The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressment demandées que la présente convention ainsi que tout avis, tout état de compte et tout autre document a être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.
28. **Counterparts and Email Copies.** This Agreement may be executed in any number of counterparts and by electronic transmission, which taken together shall form one and the same agreement.

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

Yours very truly,

**CANACCORD GENUITY CORP.**

Per: (signed) "Graham Saunders"  
Authorized Signing Officer

**EVENTUS CAPITAL CORP.**

Per: (signed) "Jeffrey Zicherman"  
Authorized Signing Officer

**DESJARDINS SECURITIES INC.**

Per: (signed) "William Tebbutt"  
Authorized Signing Officer

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

**DATED** as of the 26<sup>th</sup> day of March, 2019.

**INNOVATIVE PROPERTIES INC.**

Per: (signed) "Kevin Ma"  
Authorized Signing Officer

## SCHEDULE "A"

### U.S. OFFERS AND SALES

#### UNITED STATES TERMS AND CONDITIONS

As used in this Schedule and related Exhibits, the following terms shall have the meanings indicated:

- (a) "**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S;
- (b) "**General Solicitation**" and "**General Advertising**" means "general solicitation" and "general advertising", as used under Rule 502(c) of Regulation D, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or the internet or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
- (c) "**Offshore Transaction**" means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;
- (d) "**Qualified Institutional Buyer**" means a "qualified institutional buyer", as such term is defined in Rule 144A under the U.S. Securities Act, that is also a U.S. Accredited Investor;
- (e) "**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;
- (f) "**U.S. Accredited Investor**" means an accredited investor as defined in Rule 501(a) of Regulation D made under the U.S. Securities Act;
- (g) "**U.S. Affiliate**" means a United States registered broker-dealer affiliate of the Agent;
- (h) "**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended; and
- (i) "**U.S. Subscription Agreement**" means the Subscription Agreement for U.S. Purchasers;

All other capitalized terms used but not otherwise defined in this Schedule shall have the meanings assigned to them in the Agreement to which this Schedule is attached.

#### **Representations, Warranties and Covenants of the Corporation**

The Corporation represents, warrants, acknowledges, covenants and agrees, to and with the Agents, as at the date hereof and as of the Closing Date, that:

1. The Debentures, Additional Debentures and Warrants comprising the Units, the Debenture Shares issuable upon conversion of the Debentures and the Warrant Shares issuable upon exercise of the Warrants (collectively, the "**Securities**") have not been and will not be registered under the U.S. Securities Act or any U.S. 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 U.S. state securities laws. Except with respect to offers of Units (the "**Offered Securities**") by the Agent through its U.S. Affiliate to U.S. Purchasers for sale directly by the Corporation in reliance upon Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and similar

- exemptions under applicable U.S. state securities laws, and except with respect to offers and sales of the Offered Securities to U.S. Purchasers in reliance upon Rule 506(b) of Regulation D and/or [
2. Section 4(a)(2) of the U.S. Securities Act, neither the Corporation nor any of its affiliates, nor any person acting on any of their behalf (other than the Agents, their U.S. Affiliates, any members of the selling group formed by them, or any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement), has made or will make (A) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person, or (B) any sale of Offered Securities unless, at the time the buy order was or will have been originated, (i) the Purchaser is outside the United States and not a U.S. Person, or (ii) the Corporation, its affiliates, and any person acting on any of their behalf reasonably believe that the Purchaser is outside the United States and not a U.S. Person.
  3. Neither the Corporation, nor any of its affiliates, nor any person acting on any of their behalf (other than the Agents, their U.S. Affiliates, any members of the selling group formed by them, or any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) has engaged or will engage in any Directed Selling Efforts or has taken or will take any action that would cause the exemption afforded by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act or the exclusion afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Securities pursuant to the Agreement, including this Schedule "A".
  4. None of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Agents, their U.S. Affiliates, any members of the selling group formed by them, or any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) has offered or will offer to sell, or has solicited or will solicit offers to buy, any of the Securities to, or for the account or benefit of, persons in the United States or U.S. Persons 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.
  5. Except with respect to the offer and sale of the Offered Securities and the issuance of the other Securities contemplated by this Agreement, neither the Corporation nor any person acting on behalf of the Corporation has, for the period beginning six months prior to the date of this Agreement, sold, offered for sale or solicited any offer to buy any of the Corporation's securities of the same or similar class as any of the securities comprising the Securities, and will not do so for a period ending six months following the completion of the Offering, in a manner that would be integrated with the offer and sale of the Securities and would cause the exemption from registration set forth in Rule 506(b) of Regulation D and/or afforded by Section 4(a)(2) of the U.S. Securities Act to become unavailable with respect to the offer and sale of the Securities to, or for the account or benefit of, persons in the United States or U.S. Persons.
  6. Neither the Corporation nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.
  7. None of the Corporation, its affiliates or any person acting on any of their behalf (other than the Agents, their U.S. Affiliates, any members of the selling group formed by them, or any person acting on any of their behalf, as to whom the Corporation makes no representation, warranty, acknowledgement, covenant or agreement) has engaged or will engage in any violation of

Regulation M under the U.S. Exchange Act in connection with the Offering contemplated by this Agreement.

8. The Corporation shall duly prepare and file with the SEC a Form D within 15 days after the first sale of Offered Securities offered and sold in reliance on Rule 506(b) of Regulation D, and will file such notices and other documents as are required to be filed under the U.S. state securities laws of the states in which Offered Securities are sold to satisfy the requirements of applicable exemptions from registration or qualification of the Securities under such laws.
9. None of the Corporation or any of its predecessors has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.
10. As of the Closing Date, with respect to the Offered Securities offered and sold hereunder in reliance on Rule 506(b) of Regulation D (the “**Regulation D Securities**”), none of the Corporation, any of its predecessors, any “affiliated” (as such term is defined in Rule 501(b) of Regulation D) issuer issuing securities in the offering of the Regulation D Securities, any director, executive officer or other officer of the Corporation participating in the offering of the Regulation D Securities, any beneficial owner of 20% or more of the Corporation’s outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale of the Regulation D Securities (other than any Dealer Covered Person (as defined below), as to whom no representation, warranty, acknowledgement, covenant or agreement is made) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1) under Regulation D (a “**Disqualification Event**”).
11. As of the Closing Date, the Corporation represents that it is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Regulation D Securities.
12. The Corporation will provide to the Purchaser, upon written request, all of the information that would be required for United States income tax reporting purposes by a United States security holder making an election to treat the Corporation as a “qualified electing fund” for the purposes of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), should the Corporation or the Purchaser determine that the Corporation is a “passive foreign investment company,” with the meaning of Section 1297 of the Code, in any calendar year following the purchase of the Offered Securities during which the Purchaser continues to hold any securities issuable pursuant to the Offered Securities.

### **Representations, Warranties and Covenants of the Agent**

The Agents acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or any 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 U.S. state securities laws. Assuming the truth and accuracy of the representations, warranties, acknowledgements, covenants and agreements made by the Corporation in the Agreement, including this Schedule A, each Agent represents, warrants, acknowledges, covenants and agrees, to and with the Corporation, as of the date hereof and as of the Closing Date, that:

1. It has not arranged and will not arrange for the offer and sale of any Offered Securities except: (a) in Offshore Transactions in accordance with Rule 903 of Regulation S; or (b) to U.S. Purchasers in



transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 506(b) of Regulation D and similar exemptions under applicable U.S. state securities laws, as provided in paragraphs 2 through 14 below. Accordingly, none of the Agent, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf, has made or will make (except as permitted in paragraphs 2 through 14 below) any (i) offer to sell or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, any person in the United States or any U.S. Person, (ii) arrangement for any sale of Offered Securities to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States and not a U.S. Person, or the Agent, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf reasonably believed that such Purchaser was outside the United States and not a U.S. Person, or (iii) any Directed Selling Efforts.

2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Securities, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Affiliate and each selling group member to agree, for the benefit of the Corporation, to comply with, and shall use commercially reasonable efforts to ensure that its U.S. Affiliate and each selling group member complies with, the provisions of this Schedule "A" applicable to the Agent as if such provisions applied directly to such U.S. Affiliate or selling group member.
3. All offers of Offered Securities by it to, or for the account or benefit of, persons in the United States or U.S. Persons shall be solicited by the Agent through its U.S. Affiliate, which on the dates of such offers by the Agent through its U.S. Affiliate and subsequent sales by the Corporation was and will be duly registered as a broker-dealer under the U.S. Exchange Act and under all applicable U.S. state securities laws (unless exempted from such state's broker-dealer registration requirements) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc., in accordance with all applicable United States state and federal securities laws governing the registration and conduct of broker-dealers.
4. Neither the Agent nor its U.S. Affiliate, either directly or through a person acting on any of their behalf, have solicited or will solicit offers for, or have offered to sell or will offer to sell, any of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons by 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.
5. Any offer or solicitation of an offer to buy Offered Securities that has been made or will be made by it 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 either (i) a U.S. Accredited Investor or (ii) a Qualified Institutional Buyer, in each case in compliance with Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and similar exemptions under applicable U.S. state securities laws.
6. Immediately prior to soliciting any person that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person, the Agent, its affiliates (including its U.S. Affiliate), and any person acting on any of their behalf, had a pre-existing relationship and had reasonable grounds to believe and did believe that each such person was either (i) a U.S. Accredited Investor or (ii) a Qualified Institutional Buyer, and at the time of completion of each sale of Offered Securities by the Corporation to a U.S. Purchaser, the Agent, its affiliates (including its U.S. Affiliate), and any

person acting on any of their behalf will have reasonable grounds to believe and will believe, that each U.S. Purchaser designated by the Agent or its U.S. Affiliate to purchase Offered Securities from the Corporation is either (i) a U.S. Accredited Investor or (ii) a Qualified Institutional Buyer.

7. Prior to arranging for any sale of Offered Securities by the Corporation to a U.S. Purchaser, the Agent (through its U.S. Affiliate) shall cause each such U.S. Purchaser to execute a U.S. Subscription Agreement in a form mutually acceptable to the Corporation and the Agent.
8. At least one Business Day prior to the Closing Date, the Corporation will be provided with a list of the names and addresses of all U.S. Purchasers of the Offered Securities.
9. At Closing, the Agent and its U.S. Affiliate will provide a certificate, substantially in the form of Exhibit I hereto, relating to the manner of the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, or will be deemed to have represented that neither it nor its U.S. Affiliate offered or sold Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons.
10. Each U.S. Purchaser solicited by the Agent through its U.S. Affiliate will be informed that the Securities have not been and will not be registered under the U.S. Securities Act and that the Offered Securities are being offered and sold to such U.S. Purchaser in reliance on an exemption from the registration requirements of the U.S. Securities Act and that the Securities are “restricted securities” within the meaning of Rule 144 of the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, nor may hedging transactions involving such securities be conducted, unless such securities are registered under the U.S. Securities Act and any applicable state securities laws, an exemption from such registration is available or such registration is otherwise not required.
11. None of the Agent, its affiliates (including its U.S. Affiliate), or any person acting on any of their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the Offering contemplated hereby.
12. As of the Closing Date, with respect to Regulation D Securities, the Agent represents that none of (i) the Agent or its U.S. Affiliate, (ii) the Agent’s or its U.S. Affiliate’s general partners or managing members, (iii) any of the Agent’s or its U.S. Affiliate’s directors, executive officers or other officers participating in the offering of the Regulation D Securities, or (iv) any of the Agent’s or its U.S. Affiliate’s general partners’ or managing members’ directors, executive officers or other officers participating in the offering of the Regulation D Securities (each, a “**Dealer Covered Person**” and, collectively, the “**Dealer Covered Persons**”) is subject to a Disqualification Event.
13. As of the Closing Date, the Agent represents that it is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Regulation D Securities.
14. It is acquiring the Broker Warrants as principal for its own account and not for the benefit of any other person. Furthermore, in connection with the issuance of the Broker Warrants, it is (i) not a U.S. Person and is not acquiring the Broker Warrants in the United States, or on behalf of a U.S.

Person or a person located in the United States, and (ii) the Agreement was executed and delivered outside the United States. It agrees that it will not engage in any Directed Selling Efforts with respect to any Broker Warrants.

## EXHIBIT I TO SCHEDULE A

### AGENT'S CERTIFICATE

In connection with the offer and sale to, or for the account or benefit of, persons in the United States and U.S. Persons of Units (the “**Offered Securities**”) of Innovative Properties Inc. (the “**Corporation**”) to (i) U.S. Accredited Investors or (ii) Qualified Institutional Buyers pursuant to an agency agreement (the “**Agency Agreement**”) effective as of March 26, 2019 between the Corporation, Canaccord Genuity Corp., Eventus Capital Corp. and Desjardins Securities Inc. (each, an “**Agent**”), the undersigned Agent and the undersigned U.S. broker-dealer affiliate of the Agent (the “**U.S. Affiliate**”), hereby certify as follows:

- (a) on the date of this Certificate and on the date of each offer, solicitation of an offer or sale of Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person, the U.S. Affiliate is and was: (A) a duly registered broker-dealer pursuant to section 15(b) of the U.S. Exchange Act and under the laws of each state where offers and sales of Offered Securities were made (unless exempted from the respective state’s broker-dealer registration requirements), and (B) a member of and in good standing with the Financial Industry Regulatory Authority, Inc.;
- (b) all offers and sales of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons have been effected and arranged by the U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements;
- (c) immediately prior to offering or soliciting offers for the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, we had reasonable grounds to believe and did believe that each offeree was either (i) a U.S. Accredited Investor, or (ii) a Qualified Institutional Buyer, and, on the date of this Certificate, we continue to believe that each such U.S. Purchaser purchasing Offered Securities from the Corporation is either (i) a U.S. Accredited Investor or (ii) a Qualified Institutional Buyer, as applicable;
- (d) no form of “general solicitation” or “general advertising” (as those terms are used in Regulation D under the U.S. Securities Act) was used by us, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or the internet or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;
- (e) in connection with each sale by the Corporation of Offered Securities to U.S. Purchasers, we caused each such U.S. Purchaser to execute and deliver to the Corporation a U.S. Subscription Agreement in the form agreed by the Corporation and the Agents;
- (f) we have not engaged and will not engage in any violation of Regulation M under the U.S. Exchange Act in connection with offers or sales of the Offered Securities;
- (g) each of the undersigned is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Regulation D Securities; and
- (h) the offers and solicitations of offers of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons have been conducted by us in accordance with the terms of the Agency Agreement, including Schedule A to the Agency Agreement.

Terms used in this certificate have the meanings given to them in the Agency Agreement (including Schedule A attached thereto) unless otherwise defined herein.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**[AGENT]**

**[U.S. AFFILIATE OF AGENT]**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title: