

AGENCY AGREEMENT

August 17, 2021

Danavation Technologies Corp.
21 Roybridge Gate
Woodbridge, ON L4H 1E6

Attention: John Ricci, Chief Executive Officer

Re: Private Placement of Debentures of Danavation Technologies Corp.

Dear Sirs/Mesdames:

iA Private Wealth Inc. (the "**Agent**"), understands that Danavation Technologies Corp. (the "**Corporation**") proposes to create, issue and sell by way of private placement unsecured convertible debentures of the Corporation ("**Debentures**") for aggregate gross proceeds to the Corporation of up to CAD \$3,850,000. The offering of the Debentures by the Corporation) is hereinafter referred to as the "**Offering**".

The Debentures will bear interest at an annual rate of 8.0% payable quarterly in cash, in arrears, commencing on September 30, 2021. The interest on the Convertible Debentures will be computed on the basis of a 360-day year composed of twelve 30-day months. The September 30, 2021 interest payment will represent accrued interest for the period from and including the Closing Date (as defined below) to, but excluding, September 30, 2021. The maturity date (the "**Maturity Date**") for the Convertible Debentures will be the date that is thirty-six (36) months from the date of issuance of the Debentures.

The principal amount of each Debenture (the "**Principal Amount**") will be convertible (in denominations of \$1,000 and multiples thereof), for no additional consideration, into common shares in the capital of the Corporation (each, a "**Debenture Share**" and, collectively, the "**Debenture Shares**") at the option of the holder at any time prior to 5:00 p.m. (Eastern time) on the earlier of: (i) the Business Day (as defined below) immediately preceding the Maturity Date; and (ii) the Business Day immediately preceding the Prepayment Date (as defined below), at a conversion price equal to equal to \$0.45 per Debenture Share, subject to adjustment in accordance with the Debenture Indenture (as defined below) (the "**Conversion Price**"), subject to Forced Conversion (as defined below).

The Debentures will be duly and validly created and issued pursuant to, and governed by, a debenture indenture (the "**Debenture Indenture**") to be entered into between Computershare Trust Company of Canada (the "**Debenture Trustee**"), in its capacity as debenture trustee thereunder, and the Corporation to be dated as of the Closing Date in a form mutually acceptable to the Corporation and the Agent, each acting reasonably. To the extent there is any inconsistency between the description of the terms of the Debentures contained in this Agreement (as defined below) and the Debenture Indenture, the terms set forth in the Debenture Indenture will govern.

Prior to the Maturity Date, if the daily VWAP is greater than \$0.75 for 20 consecutive trading days, the Corporation may, upon at least thirty (30) days prior written notice to holders of the Debentures specifying the conversion date, elect to automatically convert all of the Debentures then outstanding at the Conversion Price, subject to any required approvals (including the approval of the CSE), provided that the date of forced conversion shall not be a date which is earlier than four (4) months and one (1) day after the date of the issuance of the Debentures ("**Forced Conversion**").

The Corporation may elect, at its option, upon the date which is not less than thirty (30) days' after the Corporation has provided written notice to the holders of the Debentures (the "**Prepayment Date**"), to redeem the outstanding Convertible Debentures at any time after 12 months following the Closing Date and prior to the Maturity Date (provided a transaction that would result in a Change of Control has not been publicly announced, offered or made), at the time of at the corresponding prepayment price ("**Prepayment Price**") set forth as follows (plus any accrued and unpaid interest): (i) if prepaid after 12 months but before 24 months from the Closing Date, at a Prepayment Price equal to 105.0% of the principal amount then outstanding; and (ii) if prepaid after 24 months from the Closing Date and before the Maturity Date, at a Prepayment Price equal to 102.0% of the principal amount then outstanding.

Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and upon acceptance hereof, the Corporation hereby appoints the Agent to offer for sale, on a best-efforts basis, without underwriter liability, the Debentures, and the Agent agree to use commercially reasonable efforts to arrange Purchasers (as defined herein) for the Debentures in the Selling Jurisdictions (as defined herein) for aggregate gross proceeds of \$3,850,000. It is understood and agreed by the Corporation and the Agent that the Agent shall act as agent only and is under no obligation to purchase any of the Debentures.

In consideration of the financial services to be rendered by the Agent in connection with the Offering, the Corporation agrees to pay the Advisory Fee and Agency Fee, each as set out in Section 16 of this Agreement to the Agent, and to pay all reasonable fees and expenses of the Offering (including the Agent's Expenses) as set out in Section 11 hereof.

As additional consideration for the financial services to be rendered by the Agent in connection with the Offering, the Corporation shall issue to the Agent the Compensation Options (as defined herein), as set out in Section 16 of this Agreement.

The parties acknowledge that the Debentures have not been, and will not be, registered under the U.S. Securities Act (as defined herein) or any state Securities Laws (as defined herein) and may not be offered or sold in the United States (as defined herein) or to, or for the account or benefit of, U.S. Persons (as defined herein).

1. DEFINITIONS

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

"**Advisory Fee**" has the meaning set out in Section 16 hereof.

"**Agency Fee**" has the meaning ascribed to such term in Section 16 hereof.

"**Agent's Counsel**" means DS Burstall LLP.

"**Agent's Expenses**" means all reasonable costs and expenses of the Agent payable in connection with the Offering pursuant to Section 11 hereof.

"**Agent**" means iA Private Wealth Inc.

"**Agreement**" means this agency agreement and includes all schedules attached hereto, in each case, as they may be amended or supplemented from time to time.

"Annual Financial Statements" means, collectively, (i) the audited financial statements of the Corporation for the year ended December 31, 2020, and the year ended December 31, 2019, and (ii), the audited financial statements of DTI for the year ended July 31, 2020 and for the period from the period of incorporation to July 31, 2019.

"Anti-Money Laundering Laws" has the meaning ascribed to such term in Section 6(a)(lvi)(A) hereof.

"Applicable Laws" means all laws, rules, regulations, guidelines, policies, statutes, ordinances, codes, orders, decrees, judgments, decisions, rulings or awards of any Governmental Authority.

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

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday, on which Canadian chartered banks located in Toronto, Ontario are open for the transaction of regular business.

"Canadian Securities Laws" means the securities legislation and regulations in each of the Selling Jurisdictions in Canada, and all written instruments, policies, rules, orders, codes, notices and interpretation notes having the force of law of the Securities Regulators in each of the Selling Jurisdictions in Canada.

"CDS" means CDS Clearing and Depository Services Inc.

"Change of Control" means (i) any event as a result of or following which any person, or group of persons "acting jointly or in concert" within the meaning of Canadian Securities Laws, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation.

"Claim" has the meaning ascribed to such term in Section 14 hereof.

"Closing Date" means August 17, 2021 or such other date as may be agreed to between the Agent and the Corporation.

"Closing Time" means 9:00 a.m. (Toronto time) on the applicable Closing Date, or such other time on the Closing Date as agreed to by the Corporation and the Agent.

"Closing" means the completion of the purchase and sale of the Debentures as contemplated by this Agreement and the Subscription Agreements.

"Common Shares" means the common shares in the capital of the Corporation as constituted on the date hereof.

"Compensation Option Certificate" has the meaning ascribed to such term in Section 16 hereof.

"Compensation Option Shares" has the meaning ascribed to such term in Section 16 hereof.

"Compensation Options" has the meaning ascribed to such term in Section 16 hereof.

"Conversion Price" means \$0.45 per Debenture Share.

"Contract" means, with respect to a person, any contract, instrument, permit, concession, licence, loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, partnership or joint venture agreement or other legally binding agreement, arrangement or understanding, whether written or oral, to

which the person is a party or by which, to the knowledge of such person, the person or its property and assets is bound or affected.

"Corporation" means Danavation Technologies Inc.

"Corporation's Auditor" means BDO Canada LLP.

"Corporation's Counsel" means Irwin Lowy LLP.

"Debentures" has the meaning ascribed to such term on the first page of this Agreement.

"Debenture Indenture" has the meaning ascribed to such term on the first page of this Agreement.

"Debenture Shares" has the meaning ascribed to such term on the first page of this Agreement.

"Debenture Trustee" means Computershare Trust Company of Canada.

"Debt Instrument" means any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money to which the Corporation is a party or otherwise bound and which is material to the Corporation.

"DTI" means Danavation Technologies Inc., a corporation incorporated under the OBCA.

"Due Diligence Responses" means the written and verbal responses provided by the Corporation together with all materials provided to the Agent and the Agent's Counsel during the Due Diligence Session, as given by any director or senior officer of the Corporation in relation to such Due Diligence Session.

"Due Diligence Session" means the due diligence session held August 16, 2021, between the Agent, Agent's Counsel, executive officers of the Corporation, and the Corporation's Counsel.

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

"Engagement Letter" means the engagement letter dated July 27, 2021 between the Corporation and the Agent.

"Exchange" or **"CSE"** means the Canadian Securities Exchange.

"Financial Statements" means, collectively, the Annual Financial Statements and the Interim Financial Statements.

"Forced Conversion" has the meaning ascribed to such term on the second page of this Agreement

"Governmental Authority" means any foreign, national, federal, provincial, state, municipal or local government, any 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.

"Governmental Licences" means all permits, licences, approvals, consents, certificates, qualifications, registrations, clearances and other authorizations, and supplements and amendments to the foregoing, issued by a Governmental Authority.

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

"including" means including without limitation.

"Indemnified Parties" has the meaning ascribed to such term in Section 13 hereof, and individually, an **"Indemnified Party"**.

"Intellectual Property" means registered and unregistered trade-marks and trade-mark applications, trade names, certification marks, distinguishing guises, patents and patent applications, registered and unregistered works subject to copyright, know-how, formulae, processes, inventions, technical expertise, research data, trade secrets, industrial designs and industrial design applications, customer lists, designs and other industrial or intellectual property of any nature whatsoever and applications for registration thereof, each of the foregoing as defined under Applicable Laws.

"Interim Financial Statements" means the unaudited financial statements of the Corporation for the three and nine months ended April 30, 2021 and the notes thereto, filed with the Securities Regulators on July 5, 2021.

"knowledge" where any representation or warranty contained in this Agreement is expressly qualified by reference to the "knowledge" of the Corporation, or where reference is made herein to the knowledge of the Corporation (or similar phrases), shall be deemed to refer to the actual knowledge, after due enquiry, of the Corporation's executive officers and directors.

"Material Adverse Effect" means an effect that is material and adverse to the business, properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), capitalization, condition (financial or otherwise), operations or prospects or results of operations of the Corporation and its subsidiaries, if any, taken as a whole, whether or not arising in the ordinary course of business.

"Maturity Date" means the date that is thirty-six (36) months from the date of issuance of the Debentures.

"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*.

"notice" has the meaning ascribed to such term in Section 17 hereof.

"OBCA" means the *Business Corporations Act* (Ontario).

"Offering" has the meaning ascribed to such term on the first page of this Agreement.

"person" includes any individual (whether acting as an executor, trustee, administrator, legal representative or otherwise), corporation, partnership, trust, fund, association, syndicate, organization or other organized group of persons, whether incorporated or not.

"Presentation" means the corporate presentation of the Corporation dated July 2021, as amended.

"President's List" has the meaning ascribed to such term in Section 16 hereof.

"Principal Amount" has the meaning ascribed to such term on the first page of this Agreement.

"Public Record" means information which has been publicly filed on SEDAR by the Corporation pursuant to a requirement under Applicable Securities Laws in Canada;

"Purchasers" means the persons who, as purchasers, acquire the Debentures by duly completing, executing and delivering the Subscription Agreements and any other required Offering documentation.

"Prepayment Date" has the meaning ascribed to such term on the second page of this Agreement.

"Prepayment Price" has the meaning ascribed to such term on the second page of this Agreement.

"Regulation S" means Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act.

"Securities Laws" means, collectively, Canadian Securities Laws and the applicable securities laws (including all rules and regulations thereunder) of any jurisdiction outside of Canada or the United States.

"Securities Regulators" means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions; and **"Securities Regulator"** means any one of them, as the context requires.

"SEDAR" means the System for Electronic Document Analysis and Retrieval.

"Selling Jurisdictions" means all of the Provinces and Territories of Canada and such other jurisdictions outside of Canada and the United States as may be mutually agreed to by the Agent and the Corporation where the Debentures are offered to prospective purchasers or the Purchasers reside, as the context permits or requires collectively.

"Software" means any computer software programs, source code, object code, databases, data and documentation, including, without limitation, any computer software programs that incorporate and run pricing models, formula and algorithms.

"Subscription Agreements" means, collectively, the subscription agreements for the Debentures, in the forms agreed upon by the Agent and the Corporation pursuant to which Purchasers agree to subscribe for and purchase Debentures pursuant to the Offering.

"Subsidiary" means a subsidiary body corporate of the Corporation within the meaning of the BCBCA and shall include DTI.

"Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder.

"Trading Day" means, with respect to the CSE, a day on which such exchange is open for the transaction of business and with respect to another exchange or an over-the-counter market means a day on which such exchange or market is open for the transaction of business.

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

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

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.

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

The terms "**affiliate**", "**associate**", "**misrepresentation**", "**material change**", "**material fact**" and "**control person**" shall have the meanings ascribed thereto under the *Securities Act* (British Columbia); "**distribution**" shall have the meanings ascribed thereto under the *Securities Act* (British Columbia) and "**distribute**" has a corresponding meaning.

2. THE OFFERING

(a) **Appointment of Agent.** The Corporation hereby appoints the Agent to act as exclusive agent to offer and sell the Debentures on a private placement basis and the Agent hereby accepts such appointment. Notwithstanding anything to the contrary contained herein or any oral representations or assurances previously or subsequently made by the parties hereto, this Agreement does not constitute a commitment by, or legally binding obligation of, the Agent or its affiliates to act as underwriters, initial purchasers, arrangers and/or placement agents in connection with any offering of securities of the Corporation, including the Debentures, or to provide or arrange any financing, other than the appointment as agent in connection with the Offering in accordance with the prior sentence and otherwise on the terms set forth herein.

(b) **Sale on Exempt Basis.** The Agent shall offer for sale and sell the Debentures in the Selling Jurisdictions as follows:

- (i) in each of the Provinces and Territories of Canada, by way of private placement pursuant to exemptions under NI 45-106 or pursuant to other available exemptions under applicable Canadian Securities Laws, as agreed to by the Corporation and the Agent;
- (ii) in those jurisdictions outside of Canada and the United States as may be determined by the Corporation and the Agent (each acting reasonably) pursuant to relevant prospectus or registration exemptions in accordance with applicable Securities Laws in those jurisdictions, in a manner such that the offer and sale of the Debentures does not obligate the Corporation to file a prospectus, a registration statement or other offering document or deliver an offering memorandum or other offering document under applicable Securities Laws, and does not require the Corporation to become subject to any continuous or ongoing disclosure requirements of those jurisdictions.

(c) **Filings.** The Corporation agrees to comply with all applicable Securities Laws on a timely basis in connection with the Offering and undertakes to file, or cause to be filed, within the periods stipulated under applicable Securities Laws, all forms or undertakings required to be filed by the Corporation in connection with the issue and sale of the Debentures so that the distribution of the Debentures may lawfully occur without the necessity of filing a prospectus or a registration statement in the Selling Jurisdictions, and the Agent undertakes to use its commercially reasonable efforts to cause Purchasers to complete any forms required by applicable Securities Laws. All fees payable in connection with such filings shall be at the expense of the Corporation.

(d) **Offering Memorandum, General Solicitation or Advertising.** Other than the Presentation, neither the Corporation or the Agent shall provide or shall have provided to prospective purchasers of the Debentures any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of Securities Laws. Neither the Corporation nor the Agent shall engage or shall have engaged in any form of general solicitation or general advertising in connection with the offer and sale of the Debentures, including, but not limited to, causing the sale of the Debentures 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 Debentures whose attendees have been invited by general solicitation or advertising.

3. COVENANTS OF THE CORPORATION

(a) **Covenants of the Corporation.** The Corporation hereby covenants to the Agent, and acknowledges that the Agent is relying on such covenants in connection with the entering into of this Agreement, as follows:

- (i) *Execution and Performance.* The Corporation will duly execute and deliver this Agreement at the Closing Time, and will duly execute and deliver the Subscription Agreements, Debenture Indenture, and the Compensation Option Certificates at the Closing Time, and perform, comply with and satisfy all terms, conditions, obligations and covenants therein contained to be complied with or satisfied by the Corporation.
- (ii) *Validly Allotted and Issued Securities.* The Corporation will ensure that the Debentures and Debenture Shares are duly and validly created, authorized and issued and have the attributes corresponding to the description thereof set forth in this Agreement and the Debenture Indenture. The Corporation will 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, and that upon conversion of the Debentures in accordance with the terms of the Debenture Indenture, the Debenture Shares are duly and validly issued as fully paid and non-assessable Common Shares.
- (iii) *CDS Eligibility.* The Corporation shall make the Debentures and Debenture Shares issued to Purchasers eligible for deposit in CDS.
- (iv) *Compensation Options and Compensation Option Shares.* The Corporation will ensure that the Compensation Options are duly and validly created, authorized and issued to the Agent. The Corporation will ensure that at all times prior to the expiry of the Compensation Options, a sufficient number of Compensation Option Shares are allotted and reserved for issuance upon the due exercise of the Compensation Options, and that, upon the due exercise of the Compensation Options in accordance with the terms of the Compensation Option Certificates (including payment of the exercise price therefor), the Compensation Option Shares are duly and validly issued as fully paid and non-assessable Common Shares.
- (v) *Private Placement.* As soon as reasonably practicable, and in any event at or before the Closing Time, the Corporation shall take all such steps, if any, as may be necessary to enable the Debentures to be offered for sale and sold on a private placement basis in Canada and through the Agent, or any other investment dealers or brokers properly registered in such Selling Jurisdictions in a category of registration permitting them to sell Debentures, as the case may be, by way of the exemptions set forth in the Securities

Laws in accordance with the terms of this Agreement. The Corporation shall not take any action that would prevent the Corporation and the Agent from relying on the exemptions from any prospectus requirements of Securities Laws as contemplated by this Agreement and the Subscription Agreements.

- (vi) *Securities Form Filings.* The Corporation will execute and file with the Securities Regulators and the Exchange, as applicable, all forms, notices and certificates required to be filed by the Corporation pursuant to the Securities Laws and the policies of the Exchange in the time required thereby, including, for greater certainty and without limitation, a Form 45-106F1 and any other applicable forms required under Securities Laws.
- (vii) *Common Share and Securities Issuances.* Except as (i) contemplated pursuant to this Agreement; (ii) stock options issued in accordance with the Corporation's stock option plan; (iii) Common Shares issuable pursuant to previously issued stock options; and (iv) any Common Shares or stock options pursuant to contractual obligations of the Corporation existing prior to the date hereof, the Corporation will not issue, and will not announce the issuance of any Common Shares or other securities of the Corporation prior to the Time of Closing without the prior written consent of the Agent. For a period of three (3) months after Closing, the Corporation will not issue Common Shares or securities convertible into Common Shares at a price, or conversion price per Common Share that is less than the Conversion Price, without the prior written consent of the Agent.
- (viii) *Exchange Approval.* The Corporation will take all necessary actions to obtain Exchange approval for the Offering, including the listing the Debenture Shares and Compensation Option Shares, as soon as practical.
- (ix) *Due Diligence.* The Corporation will allow the Agent and its representatives the opportunity to conduct all due diligence which the Agent may reasonably require to be conducted prior to the Closing Date. The Corporation will provide to the Agent (and the Agent's Counsel) reasonable access to the Corporation's properties, senior management personnel and corporate, financial and other records for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry the Agent (or the Agent's Counsel) may conduct, the Corporation will use its reasonable best efforts to make available its directors, senior management, technical advisors, auditors and counsel to answer any questions which the Agent may have and to participate in the Due Diligence Session. The Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall and shall use commercially reasonable efforts to cause the other participants to provide written responses to such questions no later than 12 hours prior to the time of the Due Diligence Session.
- (x) *Reporting Issuer.* The Corporation will use its commercially reasonable efforts to maintain its status as a "reporting issuer" not in default of any requirement of Applicable Securities Laws in the jurisdictions of Canada in which the Corporation currently is a reporting issuer, for a period of at least 24 months from the Closing Date, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, sale of all or substantially all of the Corporation's assets, take-over bid, merger or other similar transaction, and provided

that the Corporation will not be required to comply with this clause following the completion of such transaction.

- (xi) *Listing.* The Corporation will use commercially reasonable efforts to maintain the listing on the Exchange or such other recognized stock exchange or quotation system in Canada of the class of shares of which the Common Shares, Debenture Shares and Compensation Option Shares form a part for a period of at least 24 months from the Closing Date, provided that this clause shall not be construed as limiting or restricting the Corporation from completing a consolidation, amalgamation, arrangement, sale of all or substantially all of the Corporation's assets, take-over bid, merger or other similar transaction, and provided that the Corporation will not be required to comply with this clause following the completion of such transaction.
- (xii) *Closing Conditions.* The Corporation will use commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions within the control of the Corporation as set out in Section 9 hereof.

4. COVENANTS OF THE AGENT

(a) **Covenants.** The Agent hereby covenants to the Corporation, and acknowledge that the Corporation is relying on such covenants in connection with the entering into of this Agreement, as follows:

- (i) *Compliance with Securities Laws.* The Agent will conduct its activities in connection with the proposed offer and sale of the Debentures in compliance with applicable Securities Laws of each Selling Jurisdiction.
- (ii) *Subscription Agreement.* The Agent will use commercially reasonable efforts to obtain from each applicable Purchaser a properly completed and executed Subscription Agreement (including all certifications, forms and other documentation contemplated thereby or as may be required by the Exchange or Securities Regulators) in a form acceptable to the Agent and the Corporation, acting reasonably.

5. PRESS RELEASE

The Corporation agrees that it shall obtain prior approval of the Agent as to the content and form of any press release relating to the Offering, such approval not to be unreasonably withheld or delayed. In addition, any press release announcing or otherwise referring to the Offering shall not be distributed to U.S. newswire services or disseminated in the United States and shall include a prominent notation on the top of the first page to the following effect: ***"Not for distribution to United States newswire services or for dissemination in the United States"*** and 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"***.

6. REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

(a) The Corporation represents and warrants to the Agent and acknowledges that the Agent is relying upon such representations and warranties in entering into this Agreement, that:

- (i) *Good Standing of the Corporation.* Each of the Corporation and DTI (i) is a corporation incorporated and validly subsisting under the laws of its jurisdiction of incorporation, and (ii) has the corporate power and capacity to own or lease its properties and assets and to carry on its business or operations as currently conducted and as described in the Public Record.
- (ii) *Corporate Power.* The Corporation has all requisite corporate power and capacity to create, issue and sell the Debentures, to issue the Debenture Shares upon the conversion of the Debentures, to create and issue the Compensation Options, and to enter into and carry out its obligations under this Agreement, the Subscription Agreements, the Debenture Indenture and the Compensation Option Certificates.
- (iii) *Qualification to Conduct Business.* Each of the Corporation and DTI is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or nature of its activities make such registration necessary, except where failure to be so registered or in good standing would not result in Material Adverse Effect.
- (iv) *Conduct of Business.* Each of the Corporation and DTI has conducted, is conducting and will conduct its businesses in compliance in all material respects with all applicable laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirements of any governmental or regulatory bodies applicable to it of each jurisdiction in which it carries on a material portion of its business (except where the failure to do so would not have a Material Adverse Effect) and holds all licences, registrations and qualifications in all jurisdictions in which it carries on its business as now conducted and as presently proposed to be conducted (other than those which are not yet required), all such licences, registrations or qualifications are valid and existing and in good standing and none of such licences, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on the business of the Corporation as now conducted or as proposed to be conducted and the Corporation is not aware of any legislation, regulation, rule or lawful requirements presently in force or proposed to be brought into force which the Corporation anticipates would reasonable be expected to have a Material Adverse Effect or that the Corporation will be unable to comply with without materially adversely affecting the Corporation.
- (v) *No Restrictions.* The Corporation and DTI are not a parties to or bound or affected by any contract limiting their freedom to compete in any line of business or any geographic area, acquire goods or services from any supplier, establish the prices at which they may sell any goods or services, sell goods or services to any customer or potential customer, or transfer or move any of their assets or operations.
- (vi) *Debenture Indenture.* The representations and warranties made by the Corporation in the Debenture Indenture will be true and correct as of the date at which they are made.
- (vii) *CDS Deposit.* All necessary corporate action has been taken by the Corporation to authorize the valid creation, issue and sale of, and the delivery by the Corporation of the Debentures via a non-certificated inventory deposit with CDS.

- (viii) *Winding-Up.* 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 DTI.
- (ix) *Violation.* Each of the Corporation and DTI are (i) not in material violation of its articles of incorporation or by-laws; and (b) not in default of the performance or observance of any obligation, agreement, covenant or condition contained in any Contract to which it is a party or by which it or its assets and properties may be bound for any such violations or defaults that would result in a Material Adverse Effect.
- (x) *Subsidiaries.* The Corporation does not have any subsidiaries, other than DTI.
- (xi) *Share Capital.* The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which, as of the date hereof, 103,200,987 Common Shares were outstanding as fully paid and non-assessable shares of the Corporation.
- (xii) *No Voting Agreements.* The Corporation is not a party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation.
- (xiii) *Dividends.* There is not, in the constating documents, by-laws or in any Contract or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of the Common Shares.
- (xiv) *Debentures Validly Issued.* The Debentures to be issued and sold have been, or prior to the Closing Time will be, duly created and authorized for issuance and upon issuance, delivery and payment of the aggregate Principal Amount therefor will be validly issued. The Debentures will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities granted by the Corporation.
- (xv) *Compensation Options Validly Issued.* The Compensation Options to be issued have been, or prior to the Closing Time will be, duly created and authorized for issuance. The Compensation Options will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities granted by the Corporation.
- (xvi) *Debenture Shares and Compensation Option Shares.* The Debenture Shares and Compensation Option Shares have been, or prior to the Closing Time will be, duly and validly authorized and reserved for issuance and upon conversion of the Debentures in accordance with the terms of the Debenture Indenture and Debenture Certificates, and upon the due exercise of the Compensation Options in accordance with the terms of the Compensation Option Certificates, and the Debenture Shares and Compensation Option Shares, respectively, will be validly issued as fully paid and non-assessable Common Shares.
- (xvii) *Definitive Certificates.* To the extent applicable, the form and terms of any definitive certificates representing the Debentures, the Debenture Shares and Compensation Options Shares have been duly approved and adopted by the Corporation and are in due proper form under Applicable Laws.

- (xviii) *Absence of Rights.* Other than pursuant to the Offering, or as disclosed in the Public Record, no person has any agreement or option or right or privilege (whether at law, preemptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or exchange or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Corporation or DTI.
- (xix) *Corporate Actions.* All necessary corporate action has been taken by the Corporation, including obtaining the receipt of any required director approvals, so as to: (i) authorize the execution, delivery and performance of this Agreement, the Subscription Agreements, the Debenture Indenture, and the Compensation Option Certificates; (ii) validly issue and deliver the Debentures; (iii) reserve and authorize the issuance of the Debenture Shares, as fully paid and non-assessable Common Shares, upon the conversion of the Debentures in accordance with the terms of the Debenture Indenture; (iv) validly issue the Compensation Options; and (v) reserve and authorize the issuance of the Compensation Option Shares, as fully paid and non-assessable Common Shares, upon the due exercise of the Compensation Options in accordance with the terms of the Compensation Option Certificates.
- (xx) *Valid and Binding Documents.* Each of the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Indenture and the Compensation Option Certificates and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Corporation and upon the execution and delivery thereof shall constitute valid and binding obligations of the Corporation, enforceable against the Corporation by other parties thereto in accordance with their respective terms; provided that enforcement thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitations Act* (British Columbia).
- (xxi) *Necessary Consents and Approvals.* All consents, approvals, permits, authorizations or filings as may be required under Securities Laws that are necessary for the execution and delivery by the Corporation of this Agreement, the Subscription Agreements, the Debenture Indenture and the Compensation Option Certificates, the issuance, sale and delivery of the Debentures, the issuance of the Debenture Shares upon the conversion of the Debentures, the issuance of the Compensation Options, and the issuance of the Compensation Option Shares upon the due exercise of the Compensation Options, and the consummation of the transactions contemplated hereby and thereby have been made or obtained, as applicable, or will be made or obtained prior to the Closing Time, other than such customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Securities Laws in connection therewith.
- (xxii) *Public Record.* Each of the documents comprising the Public Record was, as of the date thereof, in compliance in all material respects with applicable Securities Laws and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and such documents collectively constitute full, true and plain disclosure of all material facts relating to the Corporation. The Corporation is in compliance with all timely disclosure obligations under applicable Securities Laws, as applicable, and, without limiting the generality of

the foregoing, since January 11, 2021, under Canadian Securities Laws there has not occurred a Material Adverse Effect which has not been publicly disclosed, and none of the documents comprising the Public Records contained a Misrepresentation at the date of the filing thereof.

- (xxiii) *Forward-Looking Information.* All forward-looking information and statements of the Corporation relating to the Corporation and the Subsidiaries contained in the Public Record, including any forecasts and estimates, expressions of opinion, intention and expectation, subject to any qualifications contained therein, as at the time they were or will be made, were or will be made based on assumptions that the Corporation believes are reasonable in the circumstances.
- (xxiv) *No Material Changes.* Except as disclosed in the Public Record, since the date of the Interim Financial Statements:
 - (A) other than the entering into of this Agreement, the Subscription Agreements, the Debenture Indenture and the performance of the obligations hereunder and thereunder, there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Corporation or any of the Subsidiaries;
 - (B) other than the entering into of this Agreement, the Subscription Agreements, the Debenture Indenture and the performance of the obligations hereunder and thereunder, there has not been any material change in the capital stock or long-term debt of the Corporation or any of the Subsidiaries; and
 - (C) the Corporation, and the Subsidiaries, have carried on their business in the ordinary course.
- (xxv) *Accounting Controls.* The Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance: (i) that transactions are completed in accordance with the general or a specific authorization of management or directors of the Corporation; (ii) that transactions are recorded as necessary to permit the preparation of the financial statements for the Corporation in conformity with IFRS and to maintain asset accountability; (iii) that access to assets of the Corporation is permitted only in accordance with the general or a specific authorization of management or directors of the Corporation; (iv) that the recorded accountability for assets of the Corporation is compared with the existing assets of the Corporation at reasonable intervals and appropriate action is taken with respect to any differences therein; and (v) regarding the prevention or timely detection of unauthorized acquisition, use or disposition of the Corporation's assets that could have a material effect on its financial statements or interim financial statements.
- (xxvi) *Independent Accountants.* The Corporation's Auditor is independent with respect to the Corporation within the meaning of Securities Laws and there has been no reportable disagreement (within the meaning of Section 4.11 of NI 51-102) with the Corporation's Auditor, and the Corporation has no current intention to change auditors.

- (xxvii) *Accounting Records.* The books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices.
- (xxviii) *Financial Statements.* The Financial Statements fairly present, in accordance with IFRS consistently applied, the financial position and condition of the Corporation and the Subsidiaries, on a consolidated basis, at the dates thereof and the results of the operations of the Corporation for the periods then ended and reflect all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof.
- (xxix) *Liabilities.* The Corporation has no liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements or referred to or disclosed herein, other than liabilities, obligations, or indebtedness or commitments: (i) incurred in the normal course of business; or (ii) which would not have a Material Adverse Effect.
- (xxx) *Related Party Accounting.* Other than as disclosed in the Financial Statements, the Corporation is not party to any related party transactions required to be disclosed under IFRS or Securities Laws.
- (xxxi) *Insolvency.* The Corporation has not committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it.
- (xxxii) *Compliance with Laws.* The Corporation and DTI are, in all material respects, conducting their business in compliance with all Applicable Laws of each jurisdiction in which their business is carried on and is licensed, registered or authorized in all jurisdictions in which they own, lease or operate its properties and assets or carry on their business to enable it to own, lease or operate their properties or assets and carry on business as currently conducted, except where any failure to be so licensed, registered or authorized would not reasonably be expected to have a Material Adverse Effect.
- (xxxiii) *Applicable Laws.* The Corporation has complied and will comply in all material respects with the requirements of all applicable corporate laws and Securities Laws in connection with the Offering and the issuance of the Corporation's securities thereunder.
- (xxxiv) *Purchases and Sales.* Except as disclosed in the Public Record, the Corporation has not approved, is not contemplating and has not entered into any agreement in respect of, nor has any knowledge of:
- (A) the purchase of any material property or assets or any interest therein or the sale, transfer or disposition of any material property or assets or any interest therein

currently owned, directly or indirectly, by the Corporation or DTI, whether by asset sale, transfer of shares or otherwise; or

(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 otherwise, of the Corporation.

(xxxv) *Taxes and Tax Returns.* The Corporation has filed in a timely manner all necessary tax returns and notices that are due and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and the Corporation is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to have a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by it or the payment of any material tax, governmental charge, penalty, interest or fine against it. There are no material actions, suits, proceedings, investigations or claims now threatened or, to the knowledge of the Corporation, pending against the Corporation which could result in a material liability in respect of taxes, charges or levies of any Governmental Authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any Governmental Authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Corporation has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation.

(xxxvi) *Off-Balance Sheet Transactions, Arrangements and Obligations.* There are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Corporation with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, results of operations, earnings, cash flow, liquidity, capital expenditures, capital resources or significant components of revenues or expenses of the Corporation or that would reasonably be expected to be material to an investor in making a decision to purchase the Debentures.

(xxxvii) *Receivables and Bad Debts.* The accounts receivable of the Corporation are *bona fide* and are good and collectible without set off or counterclaim at the aggregate recorded amounts reflected in the records of the Corporation, except those reserved as bad debt.

(xxxviii) *Governmental Licences.* (A) Each of the Corporation and GTI possess Governmental Licences issued by the appropriate Governmental Authorities necessary or required to conduct the business or operations as now operated or proposed to be operated by the Corporation and each Subsidiary; (B) the Corporation and each Subsidiary is in compliance, in all material respects, with the terms and conditions of all such Governmental Licences; (C) all of the Governmental Licences of the Corporation and the Subsidiaries are in good standing, valid, subsisting and in full force and effect; and (D) the Corporation and its Subsidiaries have not received any notice of non-compliance, nor does the Corporation know of, nor does it have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance or indication relating to the cancellation, revocation, limitation, suspension, adverse modification or refusal to issue or renew any such Governmental Licences.

- (xxxix) *Governmental Notices.* No Governmental Authority is presently alleging or asserting, or, to the knowledge of the Corporation, threatening to allege or assert, any non-compliance with any Applicable Laws or Governmental Licences in respect of the current operations or activities of the Corporations or the Subsidiaries.
- (xl) *No Default or Breach.* The Corporation is not in breach or default of, and the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Indenture, or the Compensation Option Certificates, and the performance by the Corporation of its obligations hereunder or thereunder, and the issuance and sale of the Debentures, the issuance of the Debenture Shares upon the conversion of the Debentures, and the issuance of the Compensation Options and the issuance of the Compensation Option Shares upon the due exercise of the Compensation Options do not and will not result in a breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) any statute, rule or regulation applicable to the Corporation, including Securities Laws; (B) the constating documents or resolutions of the Corporation which are in effect at the date hereof; (C) any Contract that the Corporation is a party to that is material to it; (D) any Governmental Licence; or (E) any judgment, decree or order binding the Corporation or the properties or assets of the Corporation.
- (xli) *No Actions or Proceedings.* There are no actions, suits, proceedings or investigations (whether or not purportedly by or on behalf of the Corporation) against or affecting or, to the knowledge of the Corporation, pending or, to the knowledge of the Corporation, threatened against the Corporation or DTI at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign.
- (xlii) *Joint Venture.* Other than as disclosed in the Public Record, the Corporation has not entered into, or been involved in any discussions with respect to, any joint venture, partnership agreement or arrangement, or any similar agreement or arrangement, and there are no proposed joint venture or partnership agreements or arrangements, or similar agreements or arrangements, involving the Corporation or DTI.
- (xliii) *Competitor Interests.* To the knowledge of the Corporation, other than with respect to Dana Industries Inc., none of the officers or directors of any of the Corporation has any direct or indirect ownership interest in any firm or corporation which competes with any of the Corporation other than as a passive investment.
- (xliv) *Personal Information.* The Corporation has complied and is in compliance with all applicable privacy laws, has not collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, and has not received written notice of any request, complaint, investigation, inquiry or claim relating to its handling of personal information, save and except for acts of non-compliance which would not result in a Material Adverse Effect.
- (xlv) *Amounts Owing to Employees.* All material bonuses, commissions, salaries and other amounts owing to employees are reflected and have been accrued in the books of account of the Corporation.
- (xlvi) *Employment Matters.* Other than as disclosed to the Agent in writing and in the Due Diligence Responses, the Corporation is not a party to: (i) any contracts of employment

which may not be terminated on one month's notice or which provide for payments occurring on a change of control of the Corporation, or (ii) any collective labour agreements.

- (xlvii) *Compliance with Employment Laws.* The Corporation is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours. The Corporation has not and is not engaged in any unfair labour practice, there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or, to the knowledge of the Corporation, threatened against the Corporation, no union representation question exists respecting the employees of the Corporation and no collective bargaining agreement is in place or currently being negotiated by the Corporation, the Corporation has not received any notice of any unresolved matter and there are no outstanding orders under any employment or human rights legislation in any jurisdiction in which the Corporation carries on business or has employees, no employee has any agreement as to the length of notice required to terminate his or her employment with the Corporation in excess of 24 months or equivalent compensation and all benefit and pension plans of the Corporation are funded in accordance with Applicable Laws and no past service funding liability exist thereunder.
- (xlviii) *Employee Plans.* Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drugs, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, pension, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former officer, director, employee or consultant of the Corporation has been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan.
- (xlix) *Accruals.* All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and payments for any plan for any officer, director, employee or consultant of the Corporation have been accurately reflected in the books and records of the Corporation.
- (l) *Work Stoppage.* There has not been, and there is not currently, any labour trouble which is having a Material Adverse Effect or could reasonably be expected to have a Material Adverse Effect.
- (li) *No Loans.* Other than as disclosed in the Public Record, the Corporation is not a party to any Debt Instrument and does not have any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" with the Corporation.
- (lii) *Related Party Transactions.* Other than as disclosed in the Public Record, to the knowledge of the Corporation, none of the directors, officers or employees of the Corporation, any person who owns, directly or indirectly, 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 material transaction or any proposed

material transaction with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation; and other than as disclosed in the Public Record, no director, officer, employee or other person not dealing at arm's length with the Corporation or any associate or affiliate of such person, owns, has or is entitled to any royalty, net profits interest or any other encumbrances or claims of any nature whatsoever against the Corporation, the Subsidiaries, or their respective assets.

- (liii) *Suppliers.* None of the suppliers of the Corporation and DTI have notified the Corporation, and the Corporation has no reason to believe, that each such supplier does not intend to continue dealing with the Corporation on substantially the same terms as presently conducted, subject to changes in pricing and volume in the ordinary course of business; and, to the knowledge of the Corporation, none of the transactions contemplated by this Agreement will adversely affect the relationship of the Corporation with any of its suppliers, customers or clients.
- (liv) *Customers.* None of the five largest customers of the Corporation and its Subsidiaries (the "**Largest Customers**") has notified the Corporation, and the Corporation has no reason to believe, that each such customer does not intend to continue dealing with the Corporation on substantially the same terms as presently conducted, subject to changes in pricing and volume in the ordinary course of business.
- (lv) *Unlawful Payments.* The Corporation has not nor, to the knowledge of the Corporation, has any director, officer, employee, agent or other person associated with or acting on behalf of the Corporation, (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada) or the *Foreign Corrupt Practices Act* (United States), or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.
- (lvi) *Anti-Money Laundering and Unlawful Payments.*
 - (A) The operations of the Corporation and DTI are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which the Corporation and DTI conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or DTI with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;
 - (B) the Corporation and DTI have not, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Corruption of Foreign Public Officials Act* (Canada) or the *Proceeds of Crime (Money Laundering) and*

Terrorist Financing Act (Canada) or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation, DTI, and their operations, and will not use any portion of the proceeds of the Offering, in contravention of such legislation; and

- (C) the Corporation or, to the knowledge of the Corporation, any director, officer, employee, agent, affiliate or person acting on behalf of the Corporation has not been or is not currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department and the Corporation will not directly or indirectly use any proceeds of the distribution of the Debentures or lend, contribute or otherwise make available such proceeds to any affiliated entity, joint venture partner or other person or entity, to finance any investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States.
- (lvii) *Insurance.* The Corporation maintains insurance for the Corporation and DTI against such losses, risks and damages to its properties and assets in such amounts that are customary for the business in which it is engaged and on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage are in good standing, in full force and effect in all material respects and not in default. The Corporation is in compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Corporation under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause. The Corporation has no reason to believe that it will not be able to renew such existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect, and the Corporation has not failed to promptly give any notice of any material claim thereunder.
- (lviii) *Assets.* The Corporation and DTI are the absolute legal and beneficial owners of, and have good and marketable title to, all of the material assets thereof, free of all Encumbrances, claims or demands whatsoever, and no other property rights are necessary for the conduct of the business of the Corporation and DTI as currently conducted or as contemplated to be conducted, the Corporation does not know of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such rights, and, other than as disclosed in writing to the Agent, the Corporation does not have any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to its property rights.
- (lix) *Material Contracts.* All contracts of the Corporation and DTI with its suppliers and the Largest Customers, and all contracts of the Corporation relating to Intellectual Property constitute a legally valid and binding agreement of the Corporation enforceable in accordance with their respective terms and no party thereto is in default thereunder, the Corporation has not received notification from any party claiming that the Corporation is in breach or default under any such contract and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default.

- (lx) *Leased Premises.* With respect to the premises of the Corporation and DTI, as applicable, which are material to the Corporation and which the Corporation or DTI occupies as tenant (the "**Leased Premises**"), the Corporation occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and the lease(s) pursuant to which the Corporation occupies the Leased Premises is in good standing in all material respects and in full force and effect.
- (lxi) *Good Business Practice.* Any and all operations of the Corporation and DTI have been conducted in accordance with good industry practices and in material compliance with Applicable Laws.
- (lxii) *Intellectual Property.* The Corporation and DTI owns or has the valid rights to use all of the Intellectual Property owned or used by it as of the date hereof and as contemplated for the operation of its business (and had all rights necessary to carry out its former activities at such time such activities were being conducted) and the Corporation has a valid and enforceable right to use all third-party Intellectual Property used or held for use in the business of the Corporation. All registrations, if any, and filings necessary to preserve the rights of the Corporation in the Intellectual Property owned by the Corporation have been made and are in good standing.
- (lxiii) *No Infringement.* Except where such infringement, impairment or conflict would not result in a Material Adverse Effect, the conduct of the business of the Corporation and DTI as currently conducted does not infringe or otherwise impair or conflict with any Intellectual Property rights of any third party or any confidentiality obligation owed to a third party, and the Intellectual Property owned by the Corporation which is material to the conduct of the business of the Corporation and DTI as currently conducted is not being infringed by any third party. The Corporation has no pending action or proceeding, nor any threatened action or proceeding, against any person with respect to the use of the Intellectual Property owned by the Corporation or DTI. To the knowledge of the Corporation, the Intellectual Property owned by the Corporation and DTI does not infringe upon the Intellectual Property rights of any other person. The Corporation has no pending action or proceeding, nor, to the knowledge of the Corporation, is there any threatened action or proceeding against it with respect to the use of the Intellectual Property by the Corporation or DTI. No third parties have rights to any material Intellectual Property that is owned by the Corporation, other than rights acquired pursuant to non-exclusive licenses granted by the Corporation in the ordinary course of business.
- (lxiv) *Protection of Property and Information.* The Corporation has taken commercially reasonable precautions and used commercially reasonable efforts to protect and to secure the confidentiality of its trade secrets and other Intellectual Property and confidential information.
- (lxv) *Data Security.* The Corporation has made backups of all material Software and databases used by it and maintain such backups at a secure off-site location. The Corporation has taken all reasonable steps: (i) to maintain the integrity and security of its systems and network infrastructure in connection with the collection, transmission and storage of electronic data, including video and imagery; (ii) to block the distribution of sensitive imagery which may be harmful to or breach the security interests of any customer; and (ii) to protect the information technology and communication systems used in connection with their operations and business from contamination, corruption, computer viruses, firewall breaches, sabotage, hacking or other software routines or hardware components

that would permit material unauthorized access or the unauthorized disablement, theft or erasure of its information technology systems, communication systems, imagery, products or Software. The Corporation has disaster recovery and security plans and procedures in place and there have been no material unauthorized intrusions or breaches of the security of the information technology or communication systems used in connection with their operations and business.

- (lxvi) *Marketable Title.* The Corporation and DTI has good and marketable title to the material property and assets owned by it (including as listed or described in the Financial Statements), free and clear of all Encumbrances except for those Encumbrances which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.
- (lxvii) *Indemnities.* The Corporation is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers of the Corporation in accordance with the by-laws of the Corporation and applicable laws, indemnification agreements or covenants that are entered into arising in the ordinary course of business, including operating and similar agreements, credit facilities, purchase and sale agreements, indemnification and contribution provisions in agency and underwriting agreements and in transfer agency agreements) or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person.
- (lxviii) *Fees and Commissions.* Other than the Agent (or any members of their selling group) pursuant to this Agreement or as disclosed to the Agent in writing, there is no person acting or purporting to act at the request of the Corporation who is entitled to any brokerage fees, finder's fees, agency fees or other fiscal advisory or similar fee in connection with the Offering.
- (lxix) *Minute Books.* The minute books and corporate records of the Corporation and DTI which the Corporation has made available to the Agent and the Agent's Counsel in connection with their due diligence investigation of the Corporation are all of the minute books and material corporate records of the Corporation for such period and contain true and correct copies of all constating documents of the Corporation, including all amendments thereto, and true and correct copies of all minutes of all meetings and all consent resolutions of the directors, committees of directors and shareholders of the Corporation and all such meetings were duly called and properly held and all consent resolutions were properly adopted, and such minute books and corporate records are complete in all material respects.
- (lxx) *Due Diligence.* The Due Diligence Responses are, or if supplied after the date hereof, will be at the date of supply, true and correct in all material respects where they relate to matters of fact and, to the knowledge of the Corporation, such Due Diligence Responses taken as a whole do not and shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Corporation and its directors and officers will have responded and will respond in a thorough and complete fashion. Where the Due Diligence Responses of the Corporation reflect the opinion or view of the Corporation or its directors or officers (including, Due Diligence Responses or portions of such Due Diligence Responses, which are forward looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward-Looking**

Statements"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Responses and are and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-Looking Statements.

- (lxxi) *Government Incentives.* All filings made by the Corporation or DTI under which the Corporation or DTI has received or is entitled to government incentives, have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could cause any amount previously paid to the Corporation or the Subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed.
- (lxxii) *Debenture Trustee.* The Debenture Trustee, at its office in Vancouver, British Columbia, has been duly appointed as the Debenture trustee in respect of the Debentures issued pursuant to the Debenture Indenture.
- (lxxiii) *Transfer Agent.* Computershare Investor Services Inc., at its office in Vancouver, British Columbia, has been duly appointed as the transfer agent and registrar for the Common Shares.
- (lxxiv) *No Cease Trade Orders.* No order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation or prohibiting the sale of any securities by the Corporation has been issued by an exchange or securities regulatory authority, and no proceedings for this purpose have been instituted, or are, to the Corporation's knowledge, pending, contemplated or threatened.
- (lxxv) *Exchange Notice.* The Corporation has provided the Exchange with the requisite notice of the Offering in accordance with the policies of the Exchange, a copy of which has been publicly filed on the website of the Exchange.
- (lxxvi) *Full Disclosure.* The Corporation has not withheld and will not withhold from the Agent prior to the Closing Time, any material facts relating to the Corporation, the Subsidiaries or the Offering.

7. REPRESENTATIONS AND WARRANTIES OF THE AGENT

(a) The Agent represents and warrants to the Corporation and acknowledges that the Corporation is relying upon such representations and warranties, that:

- (i) *Corporate Authorization.* This Agreement has been, or prior to the Closing Time will be, duly authorized by all necessary corporate action on the part of the Agent, and the Agent has full corporate power and authority to enter into this Agreement and to perform its obligations set out herein.
- (ii) *Valid and Binding Documents.* This Agreement constitutes a legal, valid and binding obligations of the Agent, enforceable against the Agent in accordance with the terms hereof subject to laws relating to creditors' rights generally, the availability of equitable remedies and except as rights to indemnity and contribution may be limited by Applicable Law.

- (iii) *Good Standing.* It is duly incorporated and is in good standing in its jurisdiction of incorporation, has all requisite corporate power and authority to enter into and carry out its obligations under this Agreement, and is duly licensed and registered in accordance with applicable Securities Laws.
- (iv) *Offering Materials.* it has not and will not deliver to any prospective Purchaser any document or material which constitutes an offering memorandum under Securities Laws in Canada, other than the Presentation.
- (v) *Compensation Options.* it is acquiring the Compensation Options and the Compensation Option Shares issuable upon the exercise of the Compensation Options, as principal for its own account and not for the benefit of any other person and it is an “accredited investor” within the meaning of NI 45-106 or section 73.3 of the *Securities Act* (Ontario), as applicable.

8. CLOSING

The purchase and sale of the Debentures shall be completed at the Closing Time by electronic means, or at such place or time as the Agent and the Corporation may agree upon. At the Closing Time, the Corporation shall duly and validly deliver to the Agent the Debentures via non-certificated inventory deposit with CDS or, with respect to such other Purchasers as may be identified by the Agent, via certificates representing the Debentures, as directed by the Agent, and all of the documents set out in Section 9, against payment and delivery of the net proceeds of the Offering by wire transfer to the Agent.

9. CLOSING CONDITIONS

The Agent's obligations under this Agreement shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

(a) **Corporation Board Approval.** The board of directors of the Corporation will have authorized and approved this Agreement, the Subscription Agreements, the Debenture Indenture, the Compensation Option Certificates and the Presentation, the sale and issuance of the Debentures, the issuance of the Compensation Options and the reservation for issuance of the Debenture Shares and Compensation Options Shares, and all matters relating to the foregoing.

(b) **Corporation Factual Certificate.** The Agent shall have received at the Closing Time a certificate dated the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation, or such other directors or officers as may be acceptable to the Agent, acting reasonably, addressed to the Agent, with respect to the articles and by-laws of the Corporation, all resolutions of the Corporation's board of directors relating to this Agreement, the Subscription Agreements, the Debenture Indenture, the Compensation Option Certificates and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers in the form of a certificate of incumbency and such other matters as the Agent may reasonably request.

(c) **Certificates of Compliance/Status.** The Agent shall have received a certificate of compliance/status or similar certificate with respect to the jurisdiction in which the Corporation is organized dated no later than one Business Day immediately prior to the Closing Date, or such other date or dates as the Agent may agree.

(d) **Corporate Opinions with respect to the Corporation.** The Agent shall have received favourable legal opinions addressed to the Agent and the Purchasers, in form and substance satisfactory to

the Agent's Counsel (acting reasonably), dated the Closing Date and subject to customary qualifications, from the Corporation's Counsel, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Corporation, with respect to the following matters:

- (i) as to the incorporation and existence of the Corporation under the BCBCA and as to the corporate power and capacity of the Corporation to carry on its business as presently carried on and to own its properties and assets;
- (ii) as to the authorized and issued share capital of the Corporation;
- (iii) as to the corporate power and capacity of the Corporation to carry out its obligations under this Agreement, the Subscription Agreements, the Debenture Indenture, and the Compensation Option Certificates;
- (iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Indenture and the Compensation Option Certificates and the performance of its obligations hereunder and thereunder, and each of this Agreement, the Subscription Agreements, the Debenture Indenture and the Compensation Option Certificates have been duly executed and delivered by the Corporation, and constitute a legal, valid and binding obligation of the Corporation enforceable against it by the other parties thereto in accordance with their respective terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to such other customary assumptions and qualifications including the qualifications that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution may be limited by Applicable Law;
- (v) the execution and delivery of this Agreement, the Subscription Agreements, the Debenture Indenture, the Debentures Certificates and the Compensation Option Certificates and the performance by the Corporation of its obligations hereunder and thereunder, and the issuance, sale and delivery of the Debentures at the Closing Time, the issuance of the Debenture Shares upon the conversion of the Debentures, the issuance and delivery of the Compensation Options at the Closing Time and the issuance of the Compensation Option Shares upon the due exercise of the Compensation Options do not and will not result in a breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under (A) any term or provision of the articles or by-laws of the Corporation, (B) resolutions of the directors or shareholders of the Corporation, or (C) the BCBCA;
- (vi) the Debenture Shares issuable upon the conversion of the Debentures and the Compensation Option Shares have been reserved and allotted for issuance and when issued in accordance with the terms of the Debenture Indenture and Compensation Option Certificates, as applicable, will be validly issued as fully paid and non-assessable shares;
- (vii) the creation and issuance of the Compensation Options has been authorized by all necessary corporate action;
- (viii) the Compensation Option Shares have been authorized and reserved for issuance upon the due exercise of the Compensation Options, and, upon issuance in accordance with the

terms of the Compensation Option Certificates, the Compensation Option Shares will be validly issued as fully paid and non-assessable Common Shares;

- (ix) the form and terms of definitive certificates representing the Debentures, Debenture Shares and the Compensation Options have been approved by the directors of the Corporation;
- (x) Computershare Trust Company of Canada, at its office in Vancouver, British Columbia, has been duly appointed as the Debenture Trustee under the Debenture Indenture;
- (xi) Computershare Investor Services Inc., at its office in Vancouver, British Columbia, has been duly appointed as the transfer agent and registrar for the Common Shares; and
- (xii) such other matters as the Agent or the Agent's Counsel may reasonably request.

(e) **Canadian Securities Laws Opinions with respect to the Corporation.** The Agent shall have received favourable legal opinions addressed to the Agent, in form and substance satisfactory to the Agent's Counsel (acting reasonably), dated the Closing Date and subject to customary qualifications, from the Corporation's Counsel and where appropriate, counsel in the other applicable Canadian Selling Jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Corporation, with respect to such matters as may be reasonably requested by the Agent, which include the following matters:

- (i) the issuance and sale by the Corporation of the Debentures, and the Debenture Shares upon conversion of the Debentures in accordance with the terms of this Agreement and the Debenture Indenture, are exempt from the prospectus requirements of applicable Canadian Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Canadian Securities Laws by the Corporation, subject to customary filing requirements;
- (ii) the issuance by Corporation of the Compensation Options, in accordance with the terms of this Agreement, and the issue of the Compensation Option Shares in accordance with the terms of the Compensation Option Certificates, will be exempt from the prospectus requirements of applicable Canadian Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Canadian Securities Laws by the Corporation, subject to customary filing requirements;
- (iii) the first trade by a holder of the Debentures or Debenture Shares (other than a trade that is otherwise exempt under Canadian Securities Laws) will be a distribution and will be subject to the prospectus requirements of such Canadian Securities Laws unless:
 - (A) the Corporation is and has been a "reporting issuer" in a jurisdiction of Canada for the four months immediately preceding the trade;
 - (B) at least four months have elapsed from the "distribution date" (as such term is defined in NI 45-102);
 - (C) (1) the certificates representing the Debenture Shares, if any, carry the legend required by section 2.5(2)3(i) of NI 45-102, or (2) if the Debentures are entered

- into a direct registration or other electronic book-entry system, or if the Purchaser did not directly receive a certificate representing the Debentures, the Purchaser received written notice containing the legend restriction notation set out in section 2.5(2)3(i) of NI 45-102;
- (D) the trade is not a "control distribution" (as such term is defined in NI 45-102);
 - (E) no unusual effort is made to prepare the market or to create a demand for the Debentures that are the subject of the trade;
 - (F) no extraordinary commission or consideration is paid to a person or a company in respect of the trade; and
 - (G) if the selling security holder is an insider or officer of the Corporation, the selling security holder has no reasonable grounds to believe that the Corporation is in default of applicable securities legislation;
- (iv) the first trade by a holder of the Compensation Option Shares upon the due exercise of the Compensation Options (other than a trade that is otherwise exempt under Canadian Securities Laws) will be a distribution and will be subject to the prospectus requirements of such Canadian Securities Laws unless:
- (A) the Corporation is and has been a "reporting issuer" in a jurisdiction of Canada for the four months immediately preceding the trade;
 - (B) at least four months have elapsed from the "distribution date" (as such term is defined in NI 45-102);
 - (C) (1) the certificates representing the Compensation Option Shares carry the legend required by section 2.5(2)3(i) of NI 45-102, or (2) if the Compensation Option Shares are entered into a direct registration or other electronic book-entry system, or the Agent did not directly receive a certificate representing the Compensation Option Shares, the Agent received written notice containing the legend restriction notation set out in section 2.5(2)3(i) of NI 45-102;
 - (D) the trade is not a "control distribution" (as such term is defined in NI 45-102);
 - (E) no unusual effort is made to prepare the market or to create a demand for the Compensation Option Shares that are the subject of the trade;
 - (F) no extraordinary commission or consideration is paid to a person or a company in respect of the trade; and
 - (G) if the selling security holder is an insider or officer of the Corporation, the selling security holder has no reasonable grounds to believe that the Corporation is in default of applicable securities legislation;
- (v) such other matters as the Agent or the Agent's Counsel may reasonably request.

(f) **Executed Transaction Documents.** The Subscription Agreements and the Debenture Indenture shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Agent and the Agent's Counsel (acting reasonably).

(g) **Regulatory Approvals.** The Corporation having obtained all necessary approvals of any regulatory authority required in connection with the Offering prior to the Closing Time.

(h) **Due Diligence Matters.** The Agent shall, in its sole discretion, be satisfied with its due diligence review with respect to the business, assets, financial condition and affairs of the Corporation and DTI.

The foregoing conditions are for the sole benefit of the Agent and may be waived in whole or in part by the Agent, at any time. If any of the foregoing conditions are not met, the Agent may terminate its obligations under this Agreement without prejudice to any other remedies they may have.

10. RIGHTS OF TERMINATION

(a) The Agent shall be entitled, at its sole option, to terminate and cancel, without any liability on its part or on the part of the Purchasers arranged by it, its obligations (and those of any Purchasers arranged by it) under this Agreement by written notice to that effect given to the Corporation and the other Agent at or prior to the Closing Time if, after the date hereof and prior to the Closing Time:

- (i) *Material Adverse Change Out* – there shall occur any material change or change in a material fact which, in the reasonable opinion of the Agent, would be expected to have a significant adverse effect on the market price or value of the Common Shares;
- (ii) *Disaster Out* – there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including any material escalation in the severity of the COVID-19 global pandemic) or any law or regulation which in the opinion of the Agent seriously adversely affects, or involves, or will seriously adversely affect, or involve, the financial markets or the business operations or affairs of the Corporation and the Subsidiaries, if any, taken as a whole;
- (iii) *Regulatory Proceedings Out* – any law is promulgated or changed which, in the reasonable opinion of the Agent, has a materially adverse effect on the Corporation, or has a materially adverse effect on the financial markets generally or the business, operations, assets, affairs or profitability of the Corporation;
- (iv) *Market Out* – the state of the financial markets in Canada or elsewhere where it is planned to market the securities is such that, in the reasonable opinion of the Agent, the securities cannot be marketed profitably;
- (v) *Due Diligence Out* – the Agent shall have completed, to its satisfaction, its due diligence review of the Corporation and the Subsidiaries, and each of their respective businesses, operations and financial condition, and is not satisfied with such due diligence review;
- (vi) *Cease Trade Out* – any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the distribution of the securities issuable pursuant to the Offering is made, or proceedings are announced, commenced or threatened for the making or any such order, by any securities commission or similar

regulatory authority, the Exchange or by any other competent authority, and the same has not been rescinded, revoked or withdrawn; or

- (vii) *Breach Out* – the Corporation is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement, the Subscription Agreements, or the Debenture Indenture, as applicable, becomes or is false in any material respect.

(b) If this Agreement is terminated by any Agent pursuant to Section 10(a), there shall be no further liability on the part of the Agent or of the Corporation to the Agent, except in respect of any liability which may have arisen or may thereafter arise under Sections 11 and 13.

(c) The right of the Agent to terminate its obligations under this Agreement is in addition to such other remedies as they may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement.

11. EXPENSES

(a) The Corporation will be responsible for all of the Agent's Expenses, including the fees plus taxes and disbursements of the Agent's Counsel, due diligence and any marketing expenses including any GST, HST and any provincial sales tax expenses of the Agent. The Agent's Expenses are payable by the Corporation regardless of whether the Offering is completed.

(b) The fees of legal counsel to the Agent shall be subject to approval of the Corporation above \$50,000 (such amount being inclusive of all disbursements of legal counsel, and all applicable taxes on such fees and disbursements), toward which a retainer of \$15,000 has been advanced to the Agent, which shall be applied against the expenses of the Agent including the fees plus taxes and disbursements of the Agent's Counsel.

12. SURVIVAL

All representations, warranties, covenants (to the extent such covenants by their terms continue after the Closing) and agreements of the Corporation herein contained or contained in any documents delivered by the Corporation pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and shall continue in full force and effect for the benefit of the Agent for a period of 24 months following the Closing Date; provided that, the indemnity and contribution obligations under Section 13 shall survive the completion of services rendered hereunder by the Agent or any termination of this Agreement. The representations, warranties, covenants and agreements of the Agent herein contained or contained in any documents delivered by the Agent pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and shall continue in full force and effect for the benefit of the Corporation for a period of 24 months following the Closing Date.

13. INDEMNITY AND CONTRIBUTION

The Corporation hereby agrees to indemnify and save harmless, to the maximum extent permitted by law, the Agent and its affiliates and directors, officers, employees, partners, agents, advisors and shareholders (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses (except loss of profits), claims, actions, suits, proceedings, investigations, damages, liabilities or expenses of whatsoever nature or kind whether joint or several, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or

claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (each a "Claim" and, collectively, the "Claims") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Corporation by the Indemnified Parties or otherwise in connection with the matters referred to in this Agreement and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim.

If and to the extent that a court of competent jurisdiction, in a final non-appealable judgement in a proceeding in which an Indemnified Party is named as a party, determines that a Claim was caused by or resulted from an Indemnified Party's material breach of this Agreement, breach of Applicable Laws, gross negligence, willful misconduct or fraudulent act, this indemnity shall cease to apply to such Indemnified Party in respect of such Claim and such Indemnified Party shall reimburse any funds advanced by the Corporation to the Indemnified Party pursuant to this indemnity in respect of such Claim. The Corporation agrees to waive any right the Corporation might have of first requiring the 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.

If any Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Corporation, the Indemnified Party will give the Corporation prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Corporation will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the Corporation of its obligation of indemnification hereunder except to the extent of actual prejudice caused by the failure to properly notify.

No admission of liability and no settlement, compromise or termination of any Claim, or investigation shall be made without the consent of the Corporation and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld or delayed. Notwithstanding that the Corporation will undertake the investigation and defence of any Claim, the Indemnified Parties will have the right to employ one separate counsel in each applicable jurisdiction with respect to such Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Parties unless:

- (a) employment of such counsel has been authorized in writing by the Corporation;
- (b) the Corporation has not assumed the defence of the action within a reasonable period of time after receiving notice of the Claim;
- (c) the named parties to any such Claim include the Corporation, and any of the Indemnified Parties, and the Indemnified Parties shall have been advised in writing by counsel to the Indemnified Parties that there may be a conflict of interest between the Corporation and any Indemnified Party; or
- (d) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Corporation, as the case may be,

in which case such fees and expenses of such counsel to the Indemnified Parties will be for the account of the Corporation. The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights the Indemnified Parties may have at common law or otherwise. Without limiting the generality of the foregoing, this indemnity shall apply to all reasonable expenses (including legal expenses), losses, claims

and liabilities that the Agent may incur as a result of any action, suit, proceeding or claim that may be threatened or brought against the Corporation.

If for any reason the foregoing indemnification is unavailable (other than in accordance with the terms hereof) to the Indemnified Parties (or any of them) or insufficient to hold them harmless, the Corporation agrees to contribute to the amount paid or payable by the Indemnified Parties as a result of such Claims in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation or the Corporation's shareholders, and its constituencies on the one hand and the Indemnified Parties on the other, but also the relative fault of the parties and other equitable considerations which may be relevant. Notwithstanding the foregoing, the Corporation will in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any amount in excess of the fees actually received by the Indemnified Parties hereunder.

The Corporation hereby constitutes the Agent as trustee for each of the other Indemnified Parties of the covenants of the Corporation under this indemnity with respect to such persons and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

The Corporation agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Corporation, or any person asserting claims on their behalf or in right for or in connection with the Offering, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Corporation are determined by a court of competent jurisdiction in a final judgement (in a proceeding in which an Indemnified Party is named as a party) that has become non-appealable to have resulted from the material breach of this Agreement, breach of Applicable Laws, gross negligence, willful misconduct or fraudulent act of such Indemnified Party.

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

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 the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation, and any Indemnified Party. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

14. INFORMATION

The Agent will be entitled to rely on, and to assume, with no independent verification, the accuracy and completeness of all information furnished to the Agent pursuant to Section 3(a)(viii) and the Agent will be under no obligation to verify the accuracy or completeness of such information and under no circumstances will the Agent be liable to the Corporation for any damages arising out of the inaccuracy or incompleteness of any such information.

15. ADVERTISEMENTS

The Corporation acknowledges that the Agent shall have the right, subject always to Sections 2(b), 2(d) and 5 of this Agreement and to prior approval by the Corporation, at its own expense, to place such advertisement or advertisements relating to the sale of the Debentures contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by Applicable Law, including applicable Securities Laws. The Corporation and the Agent 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 requirements of applicable securities legislation in any of the Selling Jurisdictions in which the Debentures shall be offered or sold not being available.

16. AGENCY FEE, COMPENSATION OPTIONS AND ADVISORY FEE

(a) In consideration of the financial services to be rendered by the Agent in connection with the Offering, the Agent will receive from the Corporation:

- (i) a non-refundable cash fee of \$20,000 plus HST (the "**Advisory Fee**"), payable at the Time of Closing;
- (ii) a cash commission equal to 7.0% of the aggregate gross proceeds raised in the Offering (the "**Agency Fee**");
- (iii) non-transferable Compensation Options (the "**Compensation Options**") equal to 7.0% of the number of Debenture Shares issuable upon conversion of the Debentures issued. Each Compensation Option shall be exercisable for one Common Share (each, a "**Compensation Option Share**") for a period of 24 months from the applicable Closing Date at a price of \$0.45 per Compensation Option Share, pursuant to the terms of the Compensation Option certificates (the "**Compensation Option Certificates**") in the form and on the terms satisfactory to the Corporation and the Agent, acting reasonably;
- (iv) each Agent understands and agrees that the Compensation Options may not be exercised in the United States or by or on behalf of a U.S. Person or a person in the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration requirements is available; and
- (v) notwithstanding the foregoing, the Corporation shall only pay a cash commission equal to 3.0% of the proceeds of up to the Principal Amount of \$2,000,000 resulting from subscriptions from certain Purchasers agreed to by the Corporation and the Agent (the "**President's List**") and only issue Compensation Options equal to 3.0% of the number of Debenture Shares issuable upon conversion of Debentures sold to Purchasers on the President's List.

17. 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 it at:

Danavation Technologies Corp.

21 Roybridge Gate
Woodbridge, ON L4H 1E6

Attention: John Ricci
Email: [redacted – personal information]

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

Irwin Lowy LLP
217 Queen Street West
Toronto, ON M5V 0R2

Attention: Riccardo Forno
Email: RForno@irwinlowy.com

(b) if to the Agent:

iA Private Wealth Inc.
26 Wellington Street East, Suite 700
Toronto, ON M5E 1S2

Attention: Greg Jackson
Email: [redacted – personal information]

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

DS Burstall LLP
Dome Tower
333 7th Ave SW, Suite 1600
Calgary, Alberta T2P 2Z1

Attention: Dale Burstall
Email: dale@burstall.com

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 e-mail transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by e-mail transmission shall be deemed to be given and received on the first Business Day following the day on which it is confirmed to have been sent.

18. USE OF ADVICE

The Corporation acknowledges and agrees that all written and oral opinions, advice, analysis and materials provided by the Agent in connection with its engagement hereunder are intended solely for the benefit of the Corporation and its internal use only in considering the Offering and the Corporation agrees that no such opinion, advice, analysis or material will be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without the Agent's prior written consent in each specific instance. Any advice or opinions given by the

Agent hereunder will be made subject to, and will be based upon, such assumptions, limitations, qualifications and reservations as the Agent, in its sole judgment, deems necessary or prudent in the circumstances. The Agent expressly disclaims any liability or responsibility by reason of any unauthorized use, publication, distribution of or reference to any oral or written opinions or advice or materials provided by the Agent or any unauthorized reference to the Agent or this engagement.

19. MATTERS RELATING TO THE ENGAGEMENT

In connection with the services described herein, the Agent shall act as an independent contractor, and any duties of the Agent arising out of this engagement shall be owed solely to the Corporation. The Corporation acknowledges that the Agent is a securities firm that is engaged in securities trading and brokerage activities, as well as providing investment banking and financial advisory services, which may involve services provided to other companies engaged in businesses similar or competitive to the business of the Corporation. The Corporation acknowledges and agrees that in connection with all aspects of the engagement contemplated hereby, and any communications in connection therewith, the Corporation, on the one hand, and the Agent and its affiliates through which they may be acting, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agent or such affiliates, and each party hereto agrees that no such duty will be deemed to have arisen in connection with any such transactions or communications. Information which is held elsewhere within the Agent but of which none of the individuals in the investment banking department or division of the Agent involved in providing the services contemplated by this Agreement actually has knowledge (or without breach of internal procedures can properly obtain) will not for any purpose be taken into account in determining any of the responsibilities of the Agent to the Corporation under this Agreement.

20. TIME OF THE ESSENCE

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

21. CANADIAN DOLLARS

All references herein to dollar amounts are to lawful money of Canada unless otherwise indicated.

22. HEADINGS

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

23. 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.

24. 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, understandings and agreements, whether oral or written, including, without limitation, the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument signed by the parties only.

25. SEVERABILITY

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

26. 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. Each of the Corporation and the Agent irrevocably submit to the non-exclusive jurisdiction of the courts of British Columbia with respect to any matter arising hereunder or relating hereto.

27. SUCCESSORS AND ASSIGNS

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation and the Agent and their respective executors, heirs, successors and permitted assigns; 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.

28. 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.

29. 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.

30. COUNTERPARTS AND FACSIMILE

This Agreement may be executed in any number of counterparts and by facsimile, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

[Remainder of Page Intentionally Left Blank]

If the foregoing is in accordance with your understanding and is agreed to by you, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

IA PRIVATE WEALTH INC.

Per: "Vilma Jones"
Authorized Signatory

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

DATED as of this 17th day of August, 2021.

DANAVATION TECHNOLOGIES CORP.

Per: "John Ricci"
Authorized Signatory