

# BetterLife

PHARMA

May 6, 2020

## STRICTLY PRIVATE AND CONFIDENTIAL

To: Altum Pharmaceuticals Inc.  
1055 West Georgia Street, Suite 2100  
P.O. Box 11110, Royal Centre  
Vancouver, BC V6E 3P3

Attention: Ahmad Doroudian, Chief Executive Officer

Dear Sirs/Mesdames:

This binding letter agreement sets out the agreement of the Parties (as defined below) with respect to, among other things, the granting to BetterLife Pharma Inc., or such designated subsidiary of BetterLife Pharma Inc. as the Parties mutually agree upon ("**BLF**") of certain exclusive rights in and to intellectual property relating to the AP-003 Program of Altum Pharmaceuticals Inc. ("**Altum**"): Interferon  $\alpha$ 2b ("**IFN  $\alpha$ 2b**") for the Treatment of Coronavirus Disease of 2019 (COVID-19) (the "**AP-003 Program**") (the granting of such rights, the "**Transaction**").

BLF, together with Altum, are collectively referred to as the "**Parties**" and individually, a "**Party**".

The Parties agree that the ultimate structure and terms of the Transaction will be as agreed to by the Parties in the Definitive Agreement (as hereinafter defined) and based upon such legal, financial and tax advice as the Parties may receive from their respective advisors with a view to maximizing tax efficiencies to both Parties.

### 1. **Definitive Agreement:**

The Parties agree to use good faith and commercially reasonable efforts to negotiate the terms and conditions of a definitive agreement pertaining to the Transaction (the "**Definitive Agreement**") by May 29, 2020 (the "**Closing Date**") and in any event on or before June 15, 2020 (the "**Outside Date**"), or such other date mutually agreed to in writing by the Parties (the earlier of (i) date of execution of the Definitive Agreement and (ii) the Outside Date, being herein referred to as the "**Definitive Agreement Date**"). The Definitive Agreement shall include the terms in this binding letter agreement and shall otherwise be in form and substance satisfactory to each of the Parties, acting reasonably, and shall include customary terms and conditions, including representations and warranties, covenants, conditions and completion mechanics (including without limitation the representations and warranties, covenants, conditions and completion mechanics contained in this letter, to the extent applicable), for a transaction of the nature of the Transaction.

Subject to paragraph 16, the Parties agree that if they cannot agree on a Definitive Agreement by the Definitive Agreement Date, the terms of this binding letter agreement shall govern.

## 2. Grant of Licensed Rights

Subject to the provisions of this Section 2, Altum agrees to grant and hereby grants to BLF during the Term (as hereinafter defined) an exclusive license with the right to sublicense:

- (a) to manufacture, have manufactured, modify, market, use, offer for sale, sell, distribute, promote, practice or otherwise exploit, the Licensed Products and the Licensed Methods within the Field of Use and in the Territory (each as hereinafter defined);
- (b) to apply, use and otherwise exploit the Licensed Patents, the Data, the Regulatory Materials and the Licensed Know-How within the Field of Use and in the Territory (each as hereinafter defined); and
- (c) to use the mark ANTICOVIR within the Field of Use and in the Territory in association with the Licensed Products.

(collectively, the “**Licensed Rights**”).

The parties acknowledge that some of the rights in and to the Licensed Patent and Licensed Know-How are owned by the National Research Council (the “**NRC**”), (such rights, the “**NRC Rights**”), and that as at this date, Altum only has a non-exclusive right to use the NRC Rights but the NRC has advised Altum that it will grant Altum an-exclusive right (with rights to sublicense) to the NRC Rights. Altum shall use commercially reasonable efforts to obtain (i) an exclusive right to use and sublicense the NRC Rights (the “**NRC License**”) and (ii) to obtain the assignment and transfer of the NRC Rights to Altum (the “**NRC Assignment**”).

For the sake certainty, during the Term, Altum shall not, otherwise than as set forth in this binding letter agreement or in the Definitive Agreement, itself exercise any of the Licensed Rights or license/sublicense to others the Licensed Rights (or the NRC Rights, if applicable).

Any improvements, developments, modifications, enhancements to the subject matter of the Licensed Patents or the Licensed Know-How, made or developed by Altum, on behalf of, or for the benefit of BLF (including all intellectual property rights associated therewith) within the Field of Use, shall be the exclusive property of BLF.

The terms set forth below have the following meanings:

“**CMC**” means manufacturing and related product testing and analytical development activities, including the regulatory Chemistry, Manufacturing, Controls matters of an IND or NDA or foreign equivalent thereof.

“**Data**” means (a) all data owned and controlled by Altum, whether before or during the Term that resulted from any preclinical study or clinical trial conducted by or on behalf of Altum with IFN  $\alpha$ 2b in the Field of Use, including the applicable protocols (including the protocol for Phase 3 titled “RANDOMIZED, DOUBLE-BLIND, PLACEBO-CONTROLLED STUDY OF INTERFERON A2B (IFNA2B) FOR THE TREATMENT OF CORONAVIRUS DISEASE OF 2019 (COVID-19)”, site-related documentation, training manuals, investigator brochures, recruitment materials, correspondence with sites, investigational review boards and third party vendors, data monitoring committee minutes, trial master files, project management reports, the data contained in the global safety database for IFN  $\alpha$ 2b and all clinical databases for completed and ongoing trials, all completed and/or draft study reports, data analyses, and summaries of such studies or trials in the Field of Use; and (b) all data owned and controlled by Altum as of the effective date that resulted from any CMC development or GMP manufacture conducted by or on behalf of Altum upon IFN  $\alpha$ 2b in the Field of Use, including operational documentation, CMC information, standard operating procedures, manufacturing records, stability data, validation data and information associated with Licensed Product labelling and packaging.

**“Field of Use”** means all inhalation delivery therapeutic, diagnostic and prophylactic applications related to the Coronavirus Disease of 2019 (COVID-19) and other similar viral infections but expressly excludes all other modes of delivery such as, but not limited to, topical or injectable modes of delivery and all therapeutic and prophylactic applications related to Human Papilloma Virus (HPV).

**“Good Manufacturing Practices”** or **“GMP”** means all applicable Good Manufacturing Practices including the principles detailed in the U.S. Current Good Manufacturing Practices, 21 C.F.R. Sections 210 and 211 and the equivalent Laws in any relevant country, each as may be amended and applicable from time to time.

**“Licensed Know-How”** means all information and know-how (including clinical, technical, scientific, and medical information, practices, techniques, methods, processes, inventions, developments, specifications, formulations, structures, trade secrets, analytical and quality control information and procedures, pharmacological, toxicological, and clinical test data and results, stability data, studies and procedures, regulatory information) and manufacturing and safety information relating to any composition, formulation, method of manufacture or production, method of administration or delivery of, Interferon  $\alpha$ 2b, within the Field of Use, controlled by or in the possession of Altum whether before or during the Term.

**“Licensed Methods”** means any method or process which incorporates, is based on or is derived from the subject matter described and/or claimed in the Licensed Patents, or the Licensed Know-How.

**“Licensed Patents”** means U.S. Provisional Patent Application Serial No. 63/012,904 to the extent necessary to carry out the AP-003 Program within the Field of Use and all patents and patent applications within the Field of Use and which are owned by Altum during the Term or licensed to Altum whether before or during the Term which relate to: (i) the AP-003 Program; or (ii) any composition, formulation, form, dosage, method of manufacture or production, method of administration or delivery of, Interferon  $\alpha$ 2b; within the Field of Use and further includes any patents issuing on such patent applications, and further including any substitution, extension or supplementary protection certificate, reissue, re-examination, renewal, division, continuation or continuation-in-part of any of the foregoing, and any and all foreign counterparts of any of the foregoing and any and all members of the patent family to which any of the foregoing belong.

**“Licensed Product”** means any product which incorporates, is based on or is derived from the subject matter described and/or claimed in the Licensed Patents, or the Licensed Know-How.

**“Regulatory Materials”** means the U.S. and foreign regulatory applications, submissions and approvals (including all INDs, NDAs, and foreign counterparts thereof, and all Regulatory Approvals) for IFN  $\alpha$ 2b in the Field of Use and all correspondence with the FDA and other Regulatory Authorities relating to IFN  $\alpha$ 2b in the Field of Use or any of the foregoing regulatory applications, submissions and approvals, in each case owned by Altum during the Term.

**“Term”** means the term of the Definitive Agreement commencing on the effective date thereof and running until termination thereof in accordance with its terms, or in the absence of a Definitive Agreement, the term of this binding letter agreement commencing on the Closing Date and until termination thereof in accordance with paragraph 16 hereof.

**“Territory”** means all countries of the world, except for Brunei, Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Macau, Malaysia, Myanmar, Philippines, Singapore, Thailand, Taiwan and Vietnam.

### 3. Consideration

As consideration for the grant of the Licensed Rights and for the covenants of Altum hereunder, BLF will issue to Altum on Closing, an aggregate of 10,000,000 common shares in the capital of BLF at a deemed price of CDN\$0.18 per share (the “**Consideration Shares**”).

In addition, on Closing, BLF shall grant to Altum 5,000,000 warrants to acquire 5,000,000 common shares at an exercise price of CDN\$0.19 per common share for a period of two years, with such options to only become exercisable upon Successful Completion of Phase 3.

In addition, subject to the satisfaction of the Conditions Precedent, upon Registration in a Major Market, Altum shall be entitled to receive from BLF within 30 days of Registration (the “**Registration Date**”), \$5,000,000 in cash (the “**Registration Payment**”). Altum shall only be entitled to receive, and BLF shall only be entitled to make, one Registration Payment (such amount not to exceed \$5,000,000) irrespective of how many markets Registration occurs in.

Subject to the satisfaction of the Conditions Precedent, from and after the Registration Date, BLF shall pay to Altum a tiered royalty within forty-five (45) days after each calendar year, equal to:

- (a) seven percent (7%) of Net Sales on the first \$50,000,000 of Net Sales in a calendar year; and
- (b) reduced to five percent (5%) of Net Sales for any Net Sales in a calendar year in excess of \$50,000,000.

(the “**Royalty**”).

BLF shall deliver to Altum an annual written report (a “**Royalty Report**”) within forty-five (45) days after the end of each calendar year, setting forth (a) the amount of Net Sales, the number (and type) of Licensed Products sold, the seller of the Licensed Product(s), the currency in which the sales were made and applicable deductions therefrom (including such amounts expressed in local currency and as converted to U.S. dollars) in respect of each Licensed Product, and (b) a calculation of the amount of the Royalty payment due on such Net Sales, in each case for such Licensed Product in such calendar year.

BLF shall keep full and accurate records related to the Net Sales of Licensed Products and all reporting obligations according to this letter agreement (or the Definitive Agreement in sufficient detail.

Altum shall have the right, upon reasonable prior written notice to BLF and during regular business hours, and no more frequently than once per year, to have an independent third party (including Altum’s accounting firm) inspect and audit (subject to customary confidentiality agreements) BLF’s documents and records for the purpose of verifying BLF’s compliance with its obligations to pay Royalties; provided that (i) no period may be audited more than one time, (ii) each such audit shall begin not earlier than thirty (30) days or later than ninety (90) days following such notice date unless BLF otherwise agrees in writing, (iii) such audit shall be performed diligently and in good faith and shall, to the extent possible, be completed within thirty (30) days of the commencement thereof, and (iv) such audit shall only be performed with respect to BLF’s and BLF’s Affiliates’ documents and records (including reports from their respective sublicensees and relevant documents between BLF and/or its Affiliates and such sublicensees) created within the two (2) years prior to the date of such audit. Altum will be responsible for the cost and expense of such audit.

The terms set forth below have the following meanings:

**“Affiliate”** shall mean any individual, corporation, association or other business entity that directly or indirectly controls, is controlled by, or is under common control with the Party in question. As used in this definition, the term control shall mean the direct or indirect ownership of more than fifty percent (>50%) of the stock having the right to vote for directors thereof or the ability to otherwise control the management of the corporation or other business entity whether through the ownership of voting securities, by contract, resolution, regulation or otherwise.

**“Conditions Precedent”** means BLF and Altum (or another entity acceptable to BLF, acting reasonably) entering into a Supply and Manufacturing Agreement with respect to the Licensed Products, on commercially reasonable terms, acceptable to each Party, acting reasonably.

**“knowledge”** means to the knowledge of the applicable party after diligence enquiry by its senior officers and directors.

**“Major Market”** means Canada, European Union, the United States, Brazil, Columbia, Argentina and Chile.

**“Net Sales”** means in respect of each royalty payment, the gross amount received by BLF and its Affiliates from the sale anywhere in the Territory by BLF and its Affiliates (or any sublicensee of either of them) of Licensed Products to independent third parties during the applicable period, less:

- (a) Cost of Licensed Products or raw materials, including freight;
- (b) Storage costs for Licensed Products;
- (c) Distribution costs and commissions paid in connection with the sale of the Licensed Products;
- (d) applicable taxes and duties; and
- (e) deductions made for uncollectable accounts, quantity discounts or rebates,

in each case, during the applicable period.

**“Phase 3”** means a human clinical trial of a Licensed Product that would satisfy the requirements of 21 C.F.R. § 312.21.

**“Registration”** means, with respect to a country or region in the Territory, any and all approvals, licenses, registrations or authorizations of any Regulatory Authority which are necessary to commercially distribute, sell or market a Licensed Product in such country or region, including, where applicable, (a) pricing or reimbursement approval in such country or region, (b) pre- and post-approval marketing authorizations (including without limitation any prerequisite manufacturing approval or authorization related thereto), (c) labeling approval and (d) technical, medical and scientific licenses, necessary for commercial distribution, sale or marketing of such Licensed Product in such country or region.

**“Regulatory Authority”** means any federal, national, supranational, state, provincial or local regulatory authority, agency, department, bureau or other governmental authority, including the FDA and EMA, that has authority over the manufacture, development, commercialization or

other use or exploitation (including the granting of regulatory approval) of a Licensed Product in an applicable jurisdiction.

“**Successful Completion**” means, with respect to a Phase 3 for the initial Licensed Product, meeting the primary efficacy endpoint(s).

#### **4. Patent Filing, Prosecution, Maintenance, Defence and Enforcement**

Altum shall be responsible for preparing, drafting, filing, prosecuting, and maintaining in good standing all Licensed Patents within the Territory. Altum will: (i) consult with BLF regarding the strategy for preparing, drafting, filing, prosecuting and maintaining such Licensed Patents (ii) will file patent applications forming part of the Licensed Patents in such jurisdictions within the Territory as BLF shall request; (iii) give BLF the opportunity to review and provide comments on such Licensed Patents prior to filing and any actions or responses in connection with the filing or prosecution of any such Licensed Patents; (iv) reasonably consider and, if considered reasonable, incorporate all such comments from BLF; and (v) take no action during the preparing, drafting, filing, prosecuting and maintaining of such Licensed Patents which would reasonably be expected to negatively impact BLF's rights under this letter agreement or the Definitive Agreement. Any third party costs, expenses or charges incurred by Altum or its Affiliates in connection with the foregoing shall be reimbursed on a pass-through basis by BLF within 14 days of Altum providing BLF with invoices for such costs, expenses and charges.

The Parties shall provide one another with all reasonable assistance and cooperation in connection with the preparation, drafting, filing, prosecution, and maintenance of all Licensed Patents within the Territory.

The Parties shall inform each other promptly in writing of any alleged or threatened infringement or misappropriation by any third party of any Licensed Patents and Licensed Know-How including any declaratory judgment, opposition, inter partes review, post grant review, re-examination, or similar action alleging the invalidity, unenforceability or non-infringement of any Licensed Patents and Licensed Know-How. The Parties shall consult with each other regarding any actions to be taken with respect to such infringement or misappropriation, including sharing all information available regarding same.

BLF will have the exclusive right, but not the obligation at its own cost and expense and using counsel of its choice, to initiate, prosecute, and control any action or proceeding for infringement or misappropriation of the Licensed Patents and Licensed Know-How within the Territory, and defend any third party invalidity action against the Licensed Patents and Licensed Know-How within the Territory, including any declaratory judgment, opposition, inter partes review, post grant review, re-examination, or similar action alleging the invalidity, unenforceability or non-infringement. For greater certainty, BLF's right to enforce in respect of infringement or misappropriation relating to the Licensed Patents and Licensed Know-How is limited to infringement or misappropriation of the Licensed Patents and Licensed Know-How within the Field of Use.

#### **5. Access, Updates and Due Diligence:**

- (a) BLF and its accountants, legal counsel, technical, financial and other advisors and representatives shall be entitled to perform a reasonable due diligence review and examination of the Licensed Patents the Data, the Regulatory Materials and Licensed Know-How.
- (b) Altum, agrees to immediately notify BLF in writing of any significant development with respect to the Licensed Patents, Licensed Know-How, any planned or ongoing clinical trials for any Licensed Products or the status of any pending or issued regulatory

approvals for same or in its business affairs, operations, capital, prospects or material change relating thereto.

- (c) BLF may terminate this letter agreement if it is not satisfied, acting reasonably, with the results of its due diligence. Prior to such termination, BLF must provide Altum with a reasonable opportunity to satisfy BLF regarding such results.

## 6. Representations, Warranties and Covenants of BLF:

While the Definitive Agreement will include representations, warranties and covenants consistent with this letter agreement and those customary to a transaction of this nature, BLF hereby further represents, warrants and covenants to Altum as follows and acknowledges that Altum is relying upon such representations, warranties and covenants in connection with the matters contemplated by this letter agreement:

- (a) BLF is a validly subsisting corporation under the laws of the Province of British Columbia and has the corporate power and authority, and holds all material licenses and permits required for BLF, to own or lease its property and assets to carry on its business to carry on its business as now conducted by it;
- (b) neither the execution and delivery of this letter agreement by BLF nor the consummation of the Transaction will conflict with or result in:
  - (i) a violation, contravention or breach of any of the terms, conditions or provisions of any agreement or instrument to which BLF is a Party or by which BLF is bound or constitute a default by BLF, or under any statute, regulation, judgment, decree or law to which BLF is subject or bound, or result in the creation or imposition of any mortgage, lien, charge or encumbrance of any nature whatsoever (collectively "**Encumbrances**" and individually an "**Encumbrance**") upon the assets of BLF; or
  - (ii) a violation by BLF of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over BLF,

other than any such violations, contraventions, breaches, defaults or Encumbrances that individually or in the aggregate would not reasonably be expected to have a material adverse effect on BLF;

- (c) BLF has all necessary power, authority and capacity to enter into this letter agreement and all other agreements and instruments to be executed by BLF as contemplated by this letter agreement and to carry out the obligations thereof under this letter agreement and such other agreements and instruments;
- (d) the execution and delivery of this letter agreement have been authorized by all necessary corporate action of BLF and this letter agreement constitutes a valid and binding obligation of BLF enforceable against it in accordance with its terms, subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought;
- (e) BLF is a reporting issuer in good standing and is not subject to any cease trade or other order of any applicable stock exchange or securities regulatory authority and, to the knowledge of BLF, no investigation or other proceedings involving BLF which may

operate to prevent or restrict trading of any securities of BLF are currently in progress or pending before any applicable stock exchange or securities regulatory authority;

- (f) BLF's outstanding common shares are listed and posted for trading on the Canadian Stock Exchange ("CSE");
- (g) there is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of BLF, threatened against BLF before any court, regulatory or administrative agency or tribunal; and
- (h) there are no actions, suits or other legal proceedings currently pending, or to the knowledge of BLF, threatened against BLF which individually or in the aggregate have, or could reasonably be expected to have, a material adverse effect on BLF, taken as a whole.

## **7. Representations, Warranties and Covenants of Altum**

While the Definitive Agreement will include representations, warranties and covenants consistent with this letter agreement and those customary to a transaction of this nature, Altum hereby further represents, warrants as of the date hereof, as of the Closing Date and as of each date on which BLF makes a payment to Altum hereunder and Altum also covenants to BLF as follows and acknowledges that BLF is relying upon such representations, warranties and covenants in connection with the matters contemplated by this letter agreement:

- (a) Altum is a validly subsisting corporation under the laws of the Province of British Columbia and has the corporate power and authority, and holds all material licenses and permits required for Altum, to own or lease its property and assets to carry on its business as now conducted by it;
- (b) the consummation of the Transaction will not conflict with or result in:
  - (A) a violation, contravention or breach of any of the terms, conditions or provisions of any agreement or instrument to which Altum is bound or constitute a default by Altum thereunder, or under any statute, regulation, judgment, decree or law by which Altum is subject or bound or result in the creation or imposition of any Encumbrance upon the assets of Altum; or
  - (B) a violation by Altum of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over Altum,other than any such violations, contraventions, breaches, defaults or Encumbrances that individually or in the aggregate would not reasonably be expected to have a material adverse effect on Altum or the Licensed Parents or Licensed Know-How;
- (c) Altum has all necessary power, authority and capacity to enter into this letter agreement and all other agreements and instruments to be executed by Altum as contemplated by this letter agreement and to carry out the obligations thereof under this letter agreement and such other agreements and instruments;
- (d) the execution and delivery of this letter agreement have been authorized by all necessary corporate action of Altum and this letter agreement constitutes a valid and binding obligation of Altum enforceable against it in accordance with its terms, subject, however,



to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought;

- (e) there is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Altum, threatened against Altum before any court, regulatory or administrative agency or tribunal;
- (f) there are no actions, suits or other legal proceedings currently pending, or to the knowledge of Altum, threatened against Altum which individually or in the aggregate have, or could reasonably be expected to have, a material adverse effect on Altum or the Licensed Patents, the Data, the Regulatory Materials or Licensed Know-How;
- (g) no person has or will at any time in the future have any agreement or option or any right or privilege capable of becoming an agreement or option for the grant of licenses by Altum in and to the Licensed Patents, the Data, the Regulatory Materials or the Licensed Know-How within the Field of Use and in the Territory;
- (h) subject to obtaining the NRC License or the NRC Assignment, Altum has the right to grant BLF the Licensed Rights that it purports to grant hereunder and has not granted, and will not grant at any time in the future, to any person any rights that would interfere or be inconsistent with BLF's rights hereunder;
- (i) To the knowledge of Altum:
  - (i) the Licensed Patents are valid and enforceable; and
  - (ii) there are no materials, facts, circumstances or information that would render any of the Licensed Patents invalid or unenforceable, or would materially affect any such Licensed Patents;
- (j) To the knowledge of Altum:
  - (i) the exercise of the Licensed Rights by BLF or its sublicensees,
  - (ii) the manufacture, marketing, use, offer for sale, sale, distribution, promotion, or other exploitation of the Licensed Products within the Field of Use and in the Territory; and
  - (iii) the practice of the Licensed Methods within the Field of Use and in the Territory,do not and will not infringe, misappropriate or otherwise violate the intellectual property rights or other rights of a third party.
- (k) To the knowledge of Altum, no third party is infringing, misappropriating or otherwise violating Altum's rights in the Licensed Patents, the Data or the Licensed Know-How or the rights to be granted to BLF in respect of the Licensed Patents, the Data or the Licensed Know-How under this letter agreement or the Definitive Agreement.
- (l) To the knowledge of Altum, there are no current, pending or threatened legal claims or objections relating to the Licensed Patents, the Data, the Regulatory Materials, the Licensed Know-How or Altum's rights therein.

- (m) Neither Altum, nor any of its employees, independent contractors, consultants, agents or officers: (a) has ever been debarred or is subject to debarment or, Altum's knowledge, convicted of a crime for which a person could be debarred before a Regulatory Authority under applicable law, or (b) to Altum's knowledge, has ever been under indictment for a crime for which a person could be debarred under applicable law.
- (n) All clinical trials conducted by or on behalf of Altum with respect to the Licensed Products have been conducted in accordance with good clinical practice (GCP).
- (o) All pre-clinical studies conducted by or on behalf of Altum with respect to the Licensed Products have been conducted in accordance with good laboratory practice (GLP)

**8. Covenants of Altum:**

Altum hereby covenants and agrees with BLF as follows:

- (i) Subject to obtaining any required consents (which Altum will use reasonable efforts to obtain), Altum will promptly provide BLF with any information from time to time in the possession or control of Altum relating to the Licensed Patents, the Data, the Regulatory Materials and Licensed Know-How that is reasonably requested by BLF or its counsel;
- (ii) Altum will use its commercially reasonable efforts to satisfy all of the conditions precedent to the completion of the Transaction and will use its commercially reasonable efforts to apply for and obtain, and will cooperate with BLF in applying for and obtaining, the consents, orders and approvals necessary to complete the Transaction.

**9. Covenants of BLF:**

BLF hereby covenants and agrees with Altum that BLF will use its commercially reasonable efforts to satisfy all of the conditions precedent to the completion of the Transaction and will use its commercially reasonable efforts to apply for and obtain, and will cooperate with Altum in applying for and obtaining, such consents, orders and approvals necessary for BLF to complete the Transaction.

**10. Mutual Conditions Precedent to the Transaction:**

The obligation of each of the Parties to complete the Transaction shall be subject to the satisfaction of mutual conditions precedent on or prior to the Outside Date, including, without limitation, the following:

- (a) mutually acceptable and legally enforceable agreements and other documents, including the Definitive Agreement (collectively the "**Transaction Documents**"), shall have been entered into to give effect to the Transaction, with the Transaction Documents to contain customary and detailed conditions precedent, representations and warranties, covenants and provisions dealing with the mechanics of completing the Transaction as are typical for a transaction similar in nature to the Transaction. Notwithstanding the foregoing and subject to paragraph 16, the Parties agree that if they cannot agree on a Definitive Agreement by the Definitive Agreement Date, the terms of this binding letter agreement shall govern;
- (b) the distribution of the securities pursuant to the Transaction shall be exempt from the prospectus and registration requirements of applicable Canadian securities laws either by virtue of exemptive relief from the securities regulatory authorities of each of the

provinces of Canada or by virtue of applicable exemptions under Canadian securities laws and shall not be subject to resale restrictions under applicable Canadian securities laws;

- (c) the distribution of the securities pursuant to the Transaction shall be exempt from registration requirements under the US *Securities Act* of 1933, as amended, and under applicable state securities laws pursuant to similar exemptions under applicable state securities laws;
- (d) upon the closing of the Transaction, BLF will be a reporting issuer in good standing and not included in a list of defaulting reporting issuers maintained by the securities commission in the Province of British Columbia;
- (e) all governmental, court, regulatory, third party and other approvals, consents, waivers, orders, exemptions, agreements and all amendments and modifications to agreements, indentures and arrangements which either of the Parties shall consider necessary or desirable in connection with the Transaction and not otherwise specifically described in this letter agreement shall have been obtained in form satisfactory to the Parties, acting reasonably;
- (f) no legal proceeding shall be pending or threatened in writing wherein an unfavorable judgment, order, decree, stipulation or injunction would (i) prevent consummation of the transactions contemplated by the Definitive Agreement, or (ii) cause the transactions contemplated by Definitive Agreement to be rescinded following consummation.

#### **11. Conditions Precedent to the Obligations of BLF:**

The obligations of BLF to complete the Transaction shall be subject to the satisfaction, among others, of the following conditions on or prior to the Outside Date:

- (a) Altum shall have performed and complied with all of the covenants and obligations thereof required to be performed by Altum pursuant to this letter agreement and the Transaction documents prior to the completion of the Transaction;
- (b) the representations and warranties of Altum contained in the Definitive Agreement shall be true and accurate, when made and on and as of the completion of the Transaction with the same force and effect as if they had been made at the completion of the Transaction;
- (c) there shall not have been any event or change that has had or would be reasonably likely to have a material adverse effect on Altum and for the purposes hereof, material adverse effect means a material adverse effect on the operations, results of operations, prospects of the rights to be acquired pursuant to this Transaction;
- (d) the directors of BLF or an independent committee thereof (and if required by applicable law or stock exchange rule, the shareholders of BLF) shall have approved the Transaction and approved or consented to such other matters as BLF shall consider necessary or desirable, acting reasonably, in connection with the Transaction in the manner required thereby;
- (e) BLF is satisfied with the results of its due diligence (which due diligence is to be completed by May 25, 2020) or if BLF is not satisfied with the results of its due diligence, BLF has provided Altum with a reasonable opportunity to satisfy BLF regarding such results and Altum has succeeded in doing so;

- (f) Altum has obtained the NRC License or the NRS Assignment, in either case, in a form and substance satisfactory to BLF.
- (g) BLF shall have completed a financing of at least \$6,000,000;
- (h) The CSE shall have approved the repricing of the warrants previously issued by BLF in 2019 to have an exercise price of \$0.25 or such other price as may be acceptable to the BLF board.
- (i) Altum will have entered into a lock-up agreement with BLF whereby Altum will agree not to trade or otherwise dispose of their Consideration Shares for a period of twelve months, provided however, Consideration Shares shall be released from the lock-up in such numbers and on such date in accordance with the following schedule:
  - (i) 3,333,334 Consideration Shares on the date that is the Closing Date;
  - (ii) 3,333,333 on the date that is 6 months from the Closing Date; and
  - (iii) 3,333,333 on the date that is 12 months from the Closing Date.

**12. Conditions Precedent to the Obligations of Altum:**

The obligations of Altum to complete the Transaction shall be subject to the satisfaction of, among others, the following conditions on or prior to the Outside Date:

- (a) BLF shall have performed and complied with all of the covenants and obligations thereof required to be performed by BLF pursuant to this letter agreement and the Transaction documents prior to the completion of the Transaction; and
- (b) the representations and warranties of BLF contained in the Definitive Agreement shall be true and accurate, when made and on and as of the completion of the Transaction with the same force and effect as if they had been made at the completion of the Transaction; and
- (c) there shall not have been any event or change that has had or would be reasonably likely to have a material adverse effect on BLF and for the purposes hereof, material adverse effect means a material adverse effect on the operations and results of operations of BLF.

**13. Closing Date:**

The Parties shall use their commercially reasonable efforts to complete the Transaction within 30 days of the date of this Agreement (the "**Closing Date**"), but in any case not later than June 15, 2020 (the "**Outside Date**") or such other date mutually agreed to in writing by the Parties.

**14. Completion and Location:**

Completion of the Transaction shall take place at the offices of Fasken Martineau DuMoulin LLP in Vancouver, British Columbia, Canada.

**15. Exclusivity/Non-Solicitation**

Until the earlier of the termination of this letter agreement in accordance with paragraph 16 hereof, or the completion of the Transaction, each of the Parties shall negotiate in good faith exclusively with each other in respect of the Transaction or any transaction similar to the Transaction, and Altum shall not (and will not, directly or indirectly, permit any of its

representatives) (a) enter into, or continue, or do anything to facilitate or encourage negotiations with any other person pertaining to any of the Licensed Rights or a transaction similar to the Transaction, or in respect of another transaction that would prevent the completion of the Transaction or prevent the completion of the Transaction on commercially reasonable terms or terms similar to the Transaction, or (b) directly or indirectly solicit, or do anything to facilitate or encourage expressions of interest from any other person in respect of any such a transaction.

Altum agrees to disclose to BLF any unsolicited offer it has received after the date hereof: (i) for the license or use of the Licensed Patents, the Data, the Regulatory Materials or Licensed Know-How; (ii) the purchase of all or substantially all of Altum's assets; or (iii) or any amalgamation, arrangement, merger, business combination, take-over bid, tender or exchange offer, variation of a take-over bid, tender or exchange offer or similar transaction involving Altum, as applicable, made to the board of directors or management of Altum, or directly to the shareholders or security holders of Altum.

**16. Termination of Letter Agreement:**

If the Definitive Agreement is not entered into by the Parties on or prior to the Definitive Agreement Date and the other conditions precedent to closing have not been satisfied (or if capable of waiver, not waived by the applicable Party), then either Party (provided they are in compliance with their obligations and covenants under this Agreement) may terminate this letter agreement on written notice to the other, and in such case, subject to paragraph 20(h) hereof, neither Party shall have any further obligations to the other hereunder or in connection with the Transaction.

If, however, the Definitive Agreement is not entered into by the Parties on or prior to the Definitive Agreement Date but the other conditions precedent to closing have been satisfied (or if capable of waiver, waived) the terms of this binding letter agreement shall govern and the Parties shall seek to expeditiously complete the Transaction based on the terms of this binding letter agreement.

**17. Notices and Communications**

All notices in connection with this letter agreement shall be duly given upon receipt of such notice or communication at email address below or at any other email address, communicated in writing from one Party hereto to the other in accordance with this paragraph 17:

If to BLF:

Attention: Robert Metcalfe  
Email: rmetcalfe@sympatico.ca

If to Altum:

Attention: Ahmad Doroudian  
Email: adouroudian@altumpharm.com

## 18. Confidentiality:

This letter agreement and any discussions, documents or information in connection therewith or with the Transaction shall be treated by the Parties hereto as strictly confidential and shall not (without the prior written consent of the other Party hereto or as contemplated or provided herein) be disclosed by either Party hereto to any person other than a director, officer, employee, agent, shareholder or professional advisor of or to that Party hereto with a need to know for purposes connected with the Transaction or other matters contemplated by this letter agreement and then only on a confidential basis and also on the basis that the Party concerned will be liable for any breach of confidentiality by a person to whom it makes disclosure.

## 19. Pre-Closing and Post-Closing Covenants

- (a) **Technology Transfer:** Following the Closing, Altum will promptly furnish to BLF in tangible form all Data, Regulatory Materials and Licensed Know-How existing as at the Closing Date. During the Term, Altum shall keep BLF regularly and fully informed of, and shall furnish to BLF in tangible form, all Data, Regulatory Materials and Licensed Know-How which comes into existence after the Closing Date. Altum shall provide to BLF all assistance reasonably required by BLF to exercise the Licensed Rights granted under this letter agreement or the Definitive Agreement. All reasonable and documented out-of-pocket expenses incurred in connection with the delivery of the Data, Regulatory Materials and Licensed Know-How and the provision of assistance by Altum under this paragraph 19(a) will be paid by BLF promptly upon presentation of receipts in respect thereof. It being agreed that any amounts charged by Altum to BLF in connection therewith shall be reasonable and documented and on a cost basis, it being intended that Altum is not intended to profit from the technology transfer and assistance contemplated by the present paragraph.
- (b) **Phase 3:** Altum shall be responsible to carry out in a diligent, expeditious, timely and professional manner the Phase 3 trials and shall keep BLF informed of Phase 3 in a timely manner and BLF shall be provided all documents and access to Altum personnel that it may require in connection therewith. Altum and BLF agree on the budget and scope of work for Phase 3 set out in Schedule A hereto and BLF shall fund the agreed budget and scope of work for Phase 3 for an aggregate of \$15,000,000 to be paid: \$5,000,000 fifteen days after the Closing Date; \$5,000,000 forty-five days after the Closing Date; and \$5,000,000 seventy-five days after the Closing Date. Any amounts charged by Altum to BLF in connection with Phase 3 shall be reasonable and documented and shall be on a cost basis, it being intended that Altum is not intended to profit from its work on Phase 3. In the event that BLF fails to provide Altum with any portion of the foregoing payments, its economic interest in the Licensed Rights shall be reduced proportionately. For greater certainty, if BLF were to only provide \$5,000,000 pursuant to the above schedule then its economic interest would be reduced by two-thirds (as it only provided one third of its commitment) such that were BLF to generate revenues of \$100,000,000 from the sale of Licensed Products then BLF would only be entitled to \$33,333,333 of such revenue (subject to all applicable costs, expenses, royalties and other deductions). For greater certainty, in such circumstance BLF would only be obligated to pay a Royalty on the \$33,333,333 of revenue retained by it. In the event that BLF fails to close the transaction on the Closing Date as a result of a) its inability to raise sufficient capital to complete at least the first payment of \$5mm b) in the event that condition precedents are not fulfilled and c) if BLF's due diligence discovers a material flaw in Altum's proprietary rights, the establishment of an appropriate Phase 3 trial and Altum's business plan. In such case this transaction shall be voided with no liability to either party. For greater certainty, the maximum amount that BLF is required to pay post-closing is the \$15 million for Phase 3 and all other costs and expenses shall be borne by Altum, including without limitation all costs and expenses related to CMC.

- (c) **Access and Audit Rights:** Before and after the Closing, Altum shall keep full and accurate records relating to the Transaction, all activities undertaken by it in connection with this letter agreement (including all technology transfer and assistance provided to BLF in accordance with paragraph 19(a) and the conduct of Phase 3 trials pursuant to paragraph 19(b)), the Definitive Agreement, the Transaction Documents and other ancillary agreements (including, but not limited to, any development, manufacture and supply agreements), and BLF or its designee (including BLF's accounting firm) shall have the right, upon reasonable prior written notice to Altum and during regular business hours, to have access to, and inspect and audit (subject to customary confidentiality agreements) Altum's documents and records relating to the Transaction for the purpose of verifying Altum's compliance with its obligations under this letter agreement, the Definitive Agreement, the Transaction Documents and any other ancillary agreements.
- (d) **Conditions Precedent:** Each Party will use its good faith and commercially reasonable efforts to satisfy the conditions to Closing, its covenants in this letter agreement and the Conditions Precedent and execute (or cause to be executed) the applicable agreements in connection therewith promptly, in the case of conditions related to the Closing, prior to the Closing Date and for all other conditions, promptly following the Closing and in any event prior to the Registration Date.
- (e) **Human Resources:** At the request of BLF and provided the Parties have mutually agreed in writing on a budget for same, Altum will provide any and all human resources needed to facilitate the on-going development of the Licensed Products following the Closing. Altum will invoice BLF for all management services and for all third party services on pass-through basis, it being intended that Altum is not intended to profit from the provision of such services.
- (f) **Development and Manufacturing Agreement:** Following Closing, the Parties will enter into a development and manufacturing agreement, which agreement will contain terms typical for such an agreement, including terms relating to: (i) appointment of a joint steering committee to oversee development of the Licensed Products, (ii) the preparation and approval of development plans for the Licensed Products, (iii) a license granted by BLF in favour of Altum permitting Altum to develop the Licensed Products (for the sole benefit and use of BLF), including the conduct of clinical trials, (iv) reasonable commercial efforts to be spent by Altum on development of the Licensed Products, (v) allocation of responsibility to Altum for filing for regulatory approvals for the Licensed Products (including listing of any patents in the Orange Book and equivalents in other countries or regions within the Territory), (vi) cost-sharing of development costs for the Licensed Products, (vii) an obligation for Altum to arrange for the sourcing of IFN  $\alpha$ 2b and clinical supplies of the Licensed Products needed for the development of the Licensed Products, (viii) an obligation for Altum to arrange for the sourcing of IFN  $\alpha$ 2b and commercial supplies of the Licensed Products needed by BLF for commercialization of the Licensed Products, (ix) an obligation for Altum to assign all regulatory approvals to BLF upon completion of the development of the Licensed Products or termination of the development and manufacturing agreement, (x) an obligation for Altum to assign all contracts relating to development of the Licensed Products and all Regulatory Materials to BLF upon termination of the development and manufacturing agreement, (xi) insurance to be held by Altum in relation to the activities undertaken to develop the Licensed Products and (xi) dispute resolution procedures. Any amounts charged by Altum to BLF in connection with the manufacturing and supply of product under the development and manufacturing agreement shall be reasonable and documented and shall be on a cost basis, it being intended that Altum is not intended to profit from the manufacturing and supply of product under development and manufacturing agreement.

**20. Miscellaneous:**

- (a) **Currency:** All payments made under this letter agreement or the Definitive Agreement shall be made in US dollars (USD (\$)).
- (b) **Fees and Expenses:** Except as otherwise provided herein, each of the Parties shall pay its own costs and expenses (including all legal, accounting and financial advisory fees and expenses) in connection with the Transaction, including without limitation, expenses related to the preparation, execution and delivery of this letter agreement, the Definitive Agreement and other documents referenced herein.
- (c) **Public Announcements:** The Parties further agree that there will be no public announcement or other disclosure of the Transaction or of the matters dealt with herein unless they have mutually agreed thereto or unless otherwise required by applicable law required by applicable law or regulatory instrument, rule or policy to make a public announcement with respect to the Transaction, such Party will provide reasonable notice of such public announcement to the other of them, including the proposed text of such public announcement.
- (d) **Governing Law:** This letter agreement shall be governed by and be construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein.
- (e) **Arbitration:** The Parties agree to use reasonable best efforts to resolve amicably among themselves any dispute, controversy or claim arising out of or in connection with this letter agreement or the Definitive Agreement, including any question regarding its existence, validity, interpretation, breach or termination (a “**Dispute**”). In the event the Parties are unable to resolve the Dispute among themselves on an amicable basis, such Dispute shall be settled by a [single] arbitrator in an arbitration in Vancouver, British Columbia, Canada, administered by ADRIAC under its Arbitration Rules (the “**Rules**”). The seat of arbitration will be Vancouver, British Columbia and the language of the arbitration will be English. All costs of the Dispute resolution process contemplated by the present paragraph (including the fees of the arbitrator and attorneys’ fees) shall be borne by the Party who is the least successful in such process, which shall be determined by the arbitrator by comparing (x) the position asserted by each Party on all disputed matters taken together to (y) the final decision of the arbitrator on all disputed matters taken together. The Parties agree that the arbitration provided for in the present paragraph shall be the exclusive means to resolve all Disputes. Unless otherwise required by law or legally binding order or judgment, all matters relating to the Dispute (including the claims relating to the Dispute and any resolution or determination by the arbitrator) shall be maintained on a confidential basis by the parties and may not be shared other than with their officers, directors, shareholders, members, employees, consultants and advisors who have a need to know such matters.
- (f) **Amendment:** This letter agreement may, at any time and from time to time be amended by written agreement of the Parties hereto.
- (g) **Assignment:** Neither Party hereto may assign its rights or obligations under this letter agreement without the prior written consent of the other Party hereto.
- (h) **Binding Effect:** It is understood that this letter agreement sets forth a binding legal commitment in respect of the Transaction. In the event this letter agreement is terminated in accordance with the provisions set out herein, the provisions of paragraph 18 (Confidentiality), shall continue as binding obligations of the Parties hereto and which shall survive any such termination of this letter agreement for a period of one year, and (iii) the provisions of paragraph 20(a), (b), (c) (Miscellaneous), shall be legally binding



obligations of the Parties hereto and which shall survive any termination of this letter agreement.

- (i) **Waiver**: Any waiver or release of any of the provisions of this letter agreement, to be effective, must be in writing and executed by the Party hereto granting such waiver or right.
- (j) **Entire Agreement**: This letter agreement contains the entire agreement between the Parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings with respect thereto.


Would you kindly signify your acceptance of the terms contained herein by executing the enclosed duplicate copy hereof in the place indicated and thereafter returning such executed copy to BLF by no later than 4:00 p.m. (Toronto time) on May 7, 2020, failing which this letter agreement shall be of no force or effect.

**BETTERLIFE PHARMA INC.**

Per:   
\_\_\_\_\_  
Authorized Signatory

Acknowledged and Accepted as of this 6th day of May, 2020.

**ALTUM PHARMACEUTICALS INC.**

Per:   
\_\_\_\_\_  
Authorized Signatory

June 10, 2020

**STRICTLY PRIVATE AND CONFIDENTIAL**

To: Altum Pharmaceuticals Inc.  
1055 West Georgia Street, Suite 2100  
P.O. Box 11110, Royal Centre  
Vancouver, BC V6E 3P3

Attention: Ahmad Doroudian, Director

Dear Sirs/Mesdames:

This binding amending agreement amends the agreement entered into on May 6, 2020 between BetterLife Pharma Inc. (“**BLF**”) and Altum Pharmaceuticals Inc. (“**Altum**”) (the “**Agreement**”) which provided for, among other things, the granting to BetterLife Pharma Inc., or such designated subsidiary of BetterLife Pharma Inc. as the parties mutually agree upon of certain exclusive rights in and to intellectual property relating to the AP-003 Program of Altum Pharmaceuticals Inc. (“**Altum**”): Interferon  $\alpha$ 2b (“**IFN  $\alpha$ 2b**”) for the Treatment of Coronavirus Disease of 2019 (COVID-19) (the “**AP-003 Program**”) (the granting of such rights, the “**Transaction**”).

BLF, together with Altum, are collectively referred to as the “**Parties**” and individually, a “**Party**”.

Each Party confirms to the other that it is in compliance with its covenants and obligations under the Agreement, including without limitation Section 15 of the Agreement.

The Parties hereby agree to amend the Agreement as follows:

1. All references to “May 29, 2020” in the Agreement shall be deleted and replaced with “July 15, 2020”
2. All references to “June 15, 2020” in the Agreement shall be deleted and replaced with “July 31, 2020”

The Agreement as amended by this letter agreement contains the entire agreement between the Parties hereto with respect to the subject matter hereof.

This amending agreement is an amendment to the Agreement. The Agreement and this amending agreement shall be read together and shall have effect as if the provisions of the Agreement and this amending agreement were contained in one agreement.

This Amending Agreement may be executed by facsimile and in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

Would you kindly signify your acceptance of the terms contained herein by executing the enclosed duplicate copy hereof in the place indicated and thereafter returning such executed copy to BLF by no later than 5:00 p.m. (Vancouver time) on June 10, 2020.

**BETTERLIFE PHARMA INC.**

Per:   
\_\_\_\_\_  
Authorized Signatory

Acknowledged and Accepted as of this 10th day of June, 2020.

**ALTUM PHARMACEUTICALS  
INC.**

Per:   
\_\_\_\_\_  
Authorized Signatory

July 14, 2020

**STRICTLY PRIVATE AND CONFIDENTIAL**

To: Altum Pharmaceuticals Inc.  
1055 West Georgia Street, Suite 2100  
P.O. Box 11110, Royal Centre  
Vancouver, BC V6E 3P3

Attention: Ahmad Doroudian, Director

Dear Sirs/Mesdames:

This binding amending agreement amends the agreement entered into on May 6, 2020 between BetterLife Pharma Inc. (“**BLF**”) and Altum Pharmaceuticals Inc. (“**Altum**”) (the “**Agreement**”), and the Amending Agreement entered into on June 10, 2020, which provided for, among other things, the granting to BetterLife Pharma Inc., or such designated subsidiary of BetterLife Pharma Inc. as the parties mutually agree upon of certain exclusive rights in and to intellectual property relating to the AP-003 Program of Altum Pharmaceuticals Inc. (“**Altum**”): Interferon  $\alpha$ 2b (“**IFN $\alpha$ 2b**”) for the Treatment of Coronavirus Disease of 2019 (COVID-19) (the “**AP-003 Program**”) (the granting of such rights, the “**Transaction**”).

BLF, together with Altum, are collectively referred to as the “**Parties**” and individually, a “**Party**”.

Each Party confirms to the other that it is in compliance with its covenants and obligations under the Agreement, including without limitation Section 15 of the Agreement.

The Parties hereby agree to amend the Agreement as follows:

1. All references to “July 15, 2020” in the Agreement shall be deleted and replaced with “August 31, 2020”
2. All references to “July 31, 2020” in the Agreement shall be deleted and replaced with “August 31, 2020”

The Agreement as amended by this letter agreement contains the entire agreement between the Parties hereto with respect to the subject matter hereof.

This amending agreement is an amendment to the Agreement. The Agreement and this amending agreement shall be read together and shall have effect as if the provisions of the Agreement and this amending agreement were contained in one agreement.

This Amending Agreement may be executed by facsimile and in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

Would you kindly signify your acceptance of the terms contained herein by executing the enclosed duplicate copy hereof in the place indicated and thereafter returning such executed copy to BLF by no later than 5:00 p.m. (Vancouver time) on July 14, 2020.

**BETTERLIFE PHARMA INC.**

Per:   
\_\_\_\_\_  
Authorized Signatory

Acknowledged and Accepted as of this 14th day of July, 2020.

**ALTUM PHARMACEUTICALS  
INC.**

Per:   
\_\_\_\_\_  
Authorized Signatory