Execution Version

AGENCY AGREEMENT

June 28, 2022

Algernon Pharmaceuticals Inc.
400 – 601 West Broadway
Vancouver, BC
V5Z 4C2

Attention: Christopher Moreau, Chief Executive Officer

Dear Sirs/Mesdames:

RE: Offering of Units of Algernon Pharmaceuticals Inc.

Research Capital Corporation (the "**Agent**") understands that Algernon Pharmaceuticals Inc. (the "**Company**") proposes to offer and sell an aggregate of up to 533,333 units of the Company (the "**Initial Units**") to the public in accordance with the terms of this agency agreement (this "**Agreement**"). The Company hereby appoints the Agent to act as the Company's exclusive and lead agent and sole bookrunner to offer and sell on a commercially reasonable "best efforts" agency basis the Initial Units at a price of $3.75 per Initial Unit (the "**Unit Offering Price**"), for aggregate gross proceeds to the Company of up to approximately $2,000,000. The offering of the Units (as defined below) by the Company described in this Agreement, including from the exercise, if any, of the Over-Allotment Option (as defined below) is hereinafter referred to as the "**Offering**".

Each Initial Unit shall consist of one Class A common share of the Company (a "**Common Share**") and one Common Share purchase warrant of the Company (a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one Common Share (a "**Warrant Share**") at an exercise price of $4.70 (the "**Warrant Exercise Price**"), for a period of five (5) years following the date of issuance. The Company will use its commercially reasonable efforts to obtain CSE (as defined below) approval for the Warrants to contain an anti-dilution protection feature which provides that in the event of a down-round financing during the period of five (5) years following closing of the Offering (a "**Dilutive Issuance**"), the Warrant Exercise Price will be adjusted and the number of Warrant Shares issuable thereunder will be increased if Common Shares are sold or issued for a consideration per share less than the Warrant Exercise Price (subject to certain exemptions), provided, that the Warrant Exercise Price will not be less than $1.875 (the "**Floor Price**"). If at any time prior to the expiry date of the Warrants, the volume weighted average trading price of the Common Shares on the Canadian Securities Exchange ("**CSE**"), or other principal exchange on which the Common Shares are listed, exceeds $14.10 for twenty (20) consecutive trading days, the Company may, within ten (10) business days of the occurrence of such event, deliver a notice to the holders of the Warrants accelerating the expiry date of the Warrants to the date that is thirty (30) days following the date of such notice (the "**Accelerated Exercise Period**"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period. The Warrants shall be created and issued pursuant to a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Company and TSX Trust Company, in its capacity as warrant agent thereunder (the "**Warrant Agent**").

Upon and subject to the terms and conditions herein set forth and in reliance upon the representations and warranties herein contained, the Company hereby grants to the Agent an over-allotment option (the "**Over-Allotment Option**") to sell up to an additional 80,000 units of the Company (which shall be identical to the Initial Units) and/or the components thereof (the "**Additional Securities**"), that is exercisable in whole

or in part, and at any time and from time to time, on or before 5:00 p.m. (Toronto time) on the date that is 30 days after and including the Closing Date (as defined below). The Agent can elect to exercise the Over-Allotment Option to sell any combination of additional Units, additional Common Shares, and/or additional Warrants. The purchase price for additional Units sold upon exercise of the Over-Allotment Option is $3.75 per Unit. The purchase price for additional Common Shares sold upon exercise of the Over-Allotment Option is $2.85 per Common Share. The purchase price for additional Warrants sold upon exercise of the Over-Allotment Option is $0.90 per Warrant.

Delivery of and payment for any Additional Securities will be made at the time and on the date (each an "**Option Closing Date**") as set out in a written notice of the Agent referred to below, which Option Closing Date may occur on the Closing Date but will in no event occur earlier than the Closing Date, nor earlier than two (2) Business Days (as defined below) or later than seven (7) Business Days after the date upon which the Company receives a written notice from the Agent setting out the number of Additional Securities to be sold by the Agent. Any such notice must be received by the Company not later than 5:00 p.m. (Toronto time) on the date that is 30 days after and including the Closing Date. Upon the furnishing of such a notice, the Company will be committed to sell and deliver in accordance with and subject to the provisions of this Agreement, the number of Additional Securities indicated in such notice.

Unless the context otherwise requires or unless otherwise specifically stated, all references in this Agreement to (i) the "**Offering**" shall mean the Initial Units and the Additional Securities issuable pursuant to the Over-Allotment Option, and (ii) the "**Units**" means, collectively, the Initial Units and Additional Securities.

The net proceeds of the Offering will be used by the Company to fund research and development programs, general and administrative expenses, and for working capital purposes, as set forth in the Prospectus Supplement (as hereinafter defined) under the heading "Use of Proceeds". In consideration of the Agent's services hereunder, the Company shall on the Closing Date pay to the Agent a cash fee (the "**Agency Fee**") in an amount equal to 8.0% of the gross proceeds received by the Company from the issue and sale of the Units, including from the exercise, if any, of the Over-Allotment Option. In addition, the Company shall on the Closing Date issue to the Agent, compensation warrants (the "**Compensation Warrants**") equal to 5.0% of the aggregate number of the Units issued pursuant to the Offering, including the amount subscribed for pursuant to the exercise, if any, of the Over-Allotment Option. Each Compensation Warrant shall entitle the holder thereof to purchase one Common Share at $4.125 for a period of five (5) years following the date of issuance. Notwithstanding the foregoing, to the extent any Units are sold to purchasers on a president's list (the "**President's List**"), as agreed between the Company and the Agent, in a format satisfactory to the Agent (such that the Company provides a control document spreadsheet with investors' details, broker information and such other information as required), the aforementioned commission paid by the Company to the Agent shall be reduced, to an Agency Fee of 4.0% and Compensation Warrants equaling 2.5%, in respect of such sales of Units to purchasers on the President's List. In the event that any particular subscriber's order on the President's List is not in a format satisfactory to the Agent, acting reasonably, the Agency Fee and Compensation Warrants payable to the Agent for the gross proceeds arising from the Offering from such orders will remain undiscounted. In addition, the Company will also pay to the Agent a management fee in an amount equal to 1% of the aggregate gross proceeds arising from the issue and sale of the Units, including from the exercise, if any, of the Over-Allotment Option.

The Company and the Agent agree that any offers or sales of the Units to purchasers that are in the United States (as defined below) or to, or for the account or benefit of, U.S. Persons (as defined below), (i) be made in compliance with Schedule "B" attached hereto, which forms part of this Agreement, and allows for the Agent, acting through its U.S. Affiliate (as defined below), to offer and sell the Units in the United States or to, or for the account or benefit of, U.S. Persons that are either an accredited investor (each, a "**U.S. Accredited Investor**") meeting one or more of the criteria in Rule 501(a) of Regulation D under the U.S.

Securities Act (as defined below), or qualified institutional buyers that also qualify as U.S. Accredited Investors (each, a "**Qualified Institutional Buyer**") pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 506(c) of Regulation D under the U.S. Securities Act and similar exemptions from the registration requirements under applicable state securities laws, with whom the Agent and any Selling Firm has a pre-existing relationship with such U.S. Accredited Investor or Qualified Institutional Buyer prior to October 20, 2021, which is to be conducted in such a manner so as not to require registration thereof or the filing of a prospectus or an offering memorandum with respect thereto under the U.S. Securities Act, and to be conducted through one or more duly registered U.S. Affiliates (as defined below) of the Agent in compliance with applicable federal and state securities laws of the United States.

The Agent acknowledges that the Compensation Warrants and the Common Shares issuable upon exercise of the Compensation Warrants (collectively, the "**Compensation Securities**") have not been and will not be registered under the U.S. Securities Act, and the Compensation Warrants may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act. In connection with the issuance of the Compensation Securities, as the case may be, the Agent represents and warrants that (i) it is not a U.S. Person and it is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, (ii) this Agreement was executed and delivered outside the United States, and (iii) it is acquiring the Compensation Securities as principal for its own account and not for the benefit of any other person.

The Agent acknowledges the filing on February 5, 2021 of the Preliminary Prospectus (as hereinafter defined) and the filing on May 5, 2021 of the Prospectus (as hereinafter defined) in each case in each Qualifying Jurisdiction and the issuance of the Preliminary Receipt (as hereinafter defined) on February 8, 2021 and the Final Receipt (as hereinafter defined) on May 6, 2021 in each case by the BCSC (as hereinafter defined) on behalf of the BCSC and of the Securities Commissions (as hereinafter defined).

The Offering is conditional upon and subject to the additional terms and conditions set forth below. The following are additional terms and conditions of the Agreement between the Company and the Agent:

1. Interpretation

Definitions – In addition to the terms previously defined and terms defined elsewhere in this Agreement (as defined below) (including the schedules hereto), where used in this Agreement or in any amendment hereto, the following terms shall have the following meanings, respectively:

"**Agent's Information**" means the disclosure relating solely to the Agent provided to the Company by or on behalf of the Agent in writing for inclusion in any of the Offering Documents;

"**Agreement**" means this agency agreement dated June 28, 2022 between the Company and the Agent, as the same may be supplemented, amended and/or restated from time to time;

"**Ancillary Documents**" means all agreements, indentures (including the Warrant Indenture), certificates (including the certificates, if any, representing the Units, and the Compensation Warrants), officer's certificates, notices and other documents executed and delivered, or to be executed and delivered, by the Company in connection with the Offering, whether pursuant to Applicable Securities Laws or otherwise;

"**Applicable Anti-Money Laundering Laws**" has the meaning ascribed thereto in Section 8(ttt) of this Agreement;

"**Applicable Healthcare Laws**" means all statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, applicable to the development, testing, manufacturing, market authorization, packaging, labeling, advertising, importation, storage, post-market monitoring, distribution or sale of the Products.

"**Applicable Laws**" means, in relation to any person or persons, the Applicable Securities Laws, the Applicable Healthcare Laws, and all other statutes, regulations, rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guidance document that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"**Applicable Securities Laws**" means, collectively, (i) the applicable securities laws of each of the Qualifying Jurisdictions and their respective regulations, rulings, rules, blanket orders, instruments (including national and multinational instruments), fee schedules and prescribed forms thereunder, the applicable policy statements issued by the Securities Commissions and the rules and policies of the CSE and (ii) all applicable securities laws in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, and any applicable state securities laws;

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

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

"**BCSC**" means the British Columbia Securities Commission;

"**Beneficiaries**" has the meaning ascribed thereto in Section 13(c) of this Agreement;

"**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Vancouver, British Columbia or Toronto, Ontario;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Claims**" and "**Claim**" have the meanings ascribed thereto in Section 13(a) of this Agreement;

"**Closing**" means the closing of the Offering;

"**Closing Date**" means July 4, 2022 or such earlier or later date (not to exceed 42 days from the filing of the Prospectus Supplement) as may be agreed to in writing by the Company and the Agent, each acting reasonably;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or Option Closing Date, as applicable, or such other time on the Closing Date or Option Closing Date, as applicable, as may be agreed to by the Company and the Agent;

"**Common Shares**" means the Class A common shares in the capital of the Company;

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

"**CSE**" means the Canadian Securities Exchange;

"**Disclosure Record**" means the Company's prospectuses, annual reports, annual and interim financial statements, annual information forms, business acquisition reports, management discussion and analysis of financial condition and results of operations, information circulars, material change reports, press releases and all other information or documents required to be filed or furnished by the Company under Applicable Securities Laws which have been publicly filed or otherwise publicly disseminated by the Company;

"**distribution**" means distribution or distribution to the public, as the case may be, for the purposes of the Applicable Securities Laws;

"**Distribution Period**" means the period commencing upon the filing of the term sheet of the Company for the Offering, dated June 15, 2022, and ending on the earlier of the date of (i) the completion of the distribution of the Units, and (ii) the termination of the distribution of the Units;

"**Documents Incorporated by Reference**" means the documents specified in the Preliminary Prospectus, the Prospectus, the Prospectus Supplement or any Supplemental Material, as the case may be, as being incorporated therein by reference or which are deemed to be incorporated therein by reference pursuant to Applicable Securities Laws, including for greater certainty the Marketing Materials and the Term Sheets;

"**Eligible Issuer**" means an issuer which meets the criteria and has complied with the requirements of NI 44-101 so as to be qualified to offer securities by way of a short form prospectus under Applicable Securities Laws;

"**Encumbrance**" means any charge, mortgage, hypothec, lien, pledge, claim, restriction, security interest or other encumbrance whether created or arising by agreement, statute or otherwise pursuant to any Applicable Laws, attaching to property, interests or rights;

"**Final Receipt**" means the Passport Receipt for the Prospectus;

"**Financial Information**" means the Financial Statements and certain other financial information of the Company and the Subsidiaries (including financial forecasts, auditors' reports, accounting data, management's discussion and analysis of financial condition and results of operations) included or incorporated by reference in the Preliminary Prospectus, the Prospectus, the Prospectus Supplement and any Supplementary Materials;

"**Financial Statements**" means, collectively, the (i) audited consolidated financial statements of the Company incorporated by reference in the Offering Documents as at and for the financial year ended August 31, 2021 (which financial statements include comparative financial information for the 2020 financial year), together with the report of Smythe LLP on those financial statements, and including the notes with respect to those financial statements; and (ii) the unaudited condensed consolidated interim financial statements of the Company incorporated by reference in the Offering Documents as at and for the three and six months ended February 28, 2022 (which financial

statements include comparative financial information for the comparable period in 2021), and including the notes with respect to those financial statements;

"**Governmental Authority**" means any governmental authority and includes, without limitation, any international, national, federal, state, provincial or municipal government or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions on behalf of a governmental authority 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;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board, which were adopted by the Canadian Accounting Standards Board as Canadian generally accepted accounting principles applicable to publicly accountable enterprises;

"**Indemnified Parties**" and "**Indemnified Party**" have the meanings ascribed thereto in Section 13(a) of this Agreement;

"**Intellectual Property**" means all of the following owned or purported to be owned by the Company and any of its Subsidiaries, or used or held for use relating to the conduct of the business of the Company and the Subsidiaries as presently conducted or as proposed to be conducted (i) patent rights, issued patents, patent applications, patent disclosures, and registrations, inventions, discoveries, developments, concepts, ideas, improvements, processes and methods, whether or not such inventions, discoveries, developments, concepts, ideas, improvements, processes, or methods are patentable or registrable, anywhere in the world, (ii) copyrights (including performance rights) to any original works of art or authorship, including source code and graphics, which are fixed in any medium of expression, including copyright registrations and applications therefor, anywhere in the world, whether or not registered or registrable, (iii) any and all common law or registered trade-mark rights, trade names, business names, trade-marks, proposed trade-marks, certification marks, service marks, distinguishing marks and guises, logos, slogans, domain names and any registrations and applications therefor, anywhere in the world, whether or not registered or registrable, and all goodwill attaching thereto, (iv) know-how, show-how, confidential information, trade secrets, (v) any and all industrial design rights, industrial designs, design patents, industrial design or design patent registrations and applications therefor, anywhere in the world, whether or not registered or registrable, (vi) any and all integrated circuit topography rights, integrated circuit topographies and integrated circuit topography applications, anywhere in the world, whether or not registered or registrable, (vii) any reissues, re-examinations, divisions, continuations, continuations-in-part, renewals, improvements, translations, derivatives, modifications and extensions of any of the foregoing, (viii) any other industrial, proprietary or intellectual property rights, anywhere in the world, and (ix) computer software (including but not limited to data, data bases and documentation);

"**Leased Premises**" has the meaning ascribed thereto in Section 8(g) of this Agreement of this Agreement;

"**Letter Agreement**" means the letter agreement between the Company and the Agent dated May 30, 2022;

"**Licensed IP**" means the Intellectual Property that is used or held for use relating to the conduct of the business of the Company and the Subsidiaries as presently conducted or as proposed to be conducted and that is owned by any person other than the Company or any Subsidiary;

"**Losses**" has the meaning ascribed thereto in Section 13(a) of this Agreement;

"**marketing materials**" and "**template version**" shall have their respective meanings ascribed thereto in NI 41-101;

"**Material Adverse Effect**" means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), fact, event, violation, inaccuracy, circumstance, state of being or effect that (a) is materially adverse (actually or anticipated, whether financial or otherwise) to the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, properties, condition (financial or otherwise), results of operations or control of the Company and the Subsidiaries, on a consolidated basis or (b) results or could reasonably be expected to result in the Prospectus Supplement containing a material misrepresentation;

"**material change**" has the meaning ascribed thereto in the Applicable Securities Laws of the Qualifying Jurisdictions;

"**material fact**" has the meaning ascribed thereto in the Applicable Securities Laws of the Qualifying Jurisdictions;

"**misrepresentation**" has the meaning ascribed thereto in the Applicable Securities Laws of the Qualifying Jurisdictions;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Prospectus, the Prospectus Supplement and any Supplementary Material, and also includes the Term Sheets;

"**person**" shall be broadly interpreted and shall include an individual, firm, corporation, syndicate, partnership, trust, association, unincorporated organization, joint venture, investment club, government or agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind;

"**Passport Receipt**" means a receipt issued by the BCSC as principal regulator pursuant to the Passport System, and which also evidences (i) that the Ontario Securities Commission has issued a receipt, and (ii) the deemed receipt of the Securities Commissions of the Qualifying Jurisdictions (other than Ontario and British Columbia), in any case for the Preliminary Prospectus, the Prospectus or any Supplementary Material, as the case may be;

"**Passport System**" means the passport system procedures provided for under National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions* of the Canadian Securities Administrators;

"**Preliminary Prospectus**" means the preliminary short form base shelf prospectus of the Company dated February 4, 2021, filed with the Securities Commissions for the purpose of

qualifying the distribution in the Qualifying Jurisdictions of the securities described therein, including Documents Incorporated by Reference and any Supplementary Material;

"**Preliminary Receipt**" means the Passport Receipt for the Preliminary Prospectus;

"**Products**" means the pharmaceutical products under development, manufactured and/or marketed by the Company or which are or will be undergoing testing, pre-clinical trials and/or clinical trials;

"**Prospectus**" means the (final) short form base shelf prospectus of the Company dated May 5, 2021 prepared in connection with the qualification in all of the Qualifying Jurisdictions of the distribution of the securities described therein under the Applicable Securities Laws of the Qualifying Jurisdictions, including all of the Documents Incorporated by Reference and any Supplementary Material;

"**Prospectus Supplement**" means the prospectus supplement of the Company dated the date hereof, filed with the Securities Commissions for the purposes of qualifying the distribution in the Qualifying Jurisdictions of the Units, including all Documents Incorporated by Reference and any Supplementary Material;

"**Qualification**" has the meaning given to it in Section 8(cc);

"**Qualifying Jurisdictions**" means each of the provinces of Canada (excluding the Province of Québec);

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Securities Commission**" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions and "**Securities Commissions**" means all of them;

"**Selling Firm**" has the meaning ascribed thereto in Section 2(d) of this Agreement;

"**SR&ED**" has the meaning ascribed thereto in Section 8(ppp) of this Agreement;

"**Standard Listing Conditions**" has the meaning ascribed thereto in Section 5(a)(v) of this Agreement;

"**Subsequent Disclosure Documents**" means any annual and/or interim financial statements, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms, business acquisition reports, material change reports or other documents issued by the Company after the date of this Agreement that are required by Applicable Securities Laws of the Qualifying Jurisdictions to be incorporated by reference into the Preliminary Prospectus, the Prospectus, the Prospectus Supplement and/or any Supplementary Material;

"**Subsidiary**" means those entities that would be a "subsidiary" of the Company pursuant to the Applicable Securities Laws of the Province of British Columbia and includes (i) Nash Pharmaceuticals Inc. and (ii) Algernon Research PTY Ltd.;

"**Supplementary Material**" means, collectively, any amendment to or amendment and restatement of the Preliminary Prospectus, the Prospectus and/or the Prospectus Supplement, and any further amendment, amendment and restatement or supplemental prospectus thereto or ancillary materials

that may be filed by or on behalf of the Company under the Applicable Securities Laws of the Qualifying Jurisdictions relating to the distribution of the Units thereunder;

"**Term Sheets**" means, collectively, the term sheet of the Company for the Offering dated June 15, 2022 and the revised term sheet of the Company for the Offering dated June 27, 2022;

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

"**U.S. Affiliates**" has the meaning given to it in Schedule "B" to this Agreement;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations made thereunder.

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

"**U.S. Placement Memorandum**" has the meaning given to it in Schedule "B" to this Agreement; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations made thereunder.

Other

(a) Capitalized terms used but not defined herein have the meanings ascribed to them in the Prospectus Supplement.

(b) Any reference in this Agreement to a Section shall refer to a section of this Agreement.

(c) All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be construed as agreeing with the required word and/or pronoun.

(d) Any reference in this Agreement to "$" or to "dollars" shall refer to the lawful currency of Canada, unless otherwise specified.

(e) The following are the schedules to this Agreement, which schedules (including the representations, warranties and covenants set out therein) are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A" – Form of Lock-Up Agreement

(f) Where any representation or warranty contained in this Agreement or any Ancillary Document is expressly qualified by reference to the "**knowledge**" of the Company or "**the best of the Company's knowledge**", or where any other reference is made herein or in any Ancillary Document to the "**knowledge**" of the Company, it shall be deemed to refer to the actual knowledge of (i) Christopher Moreau, the Chief Executive Officer, and (ii) James Kinley, the Chief Financial Officer, of the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such

facts and circumstances that would ordinarily be made by officers of similar sized companies.

2. Distribution and Certain Obligations of the Agent and the Company

(a) The distribution of the Units in the Qualifying Jurisdictions shall be qualified by the Prospectus in accordance with Applicable Securities Laws. The Agent shall be entitled to assume that the Units are qualified for distribution in any Qualifying Jurisdiction where a Final Receipt or similar document for the Prospectus shall have been obtained from or deemed issued by the applicable Securities Commission following the filing of the Prospectus and where the Prospectus Supplement has been filed, provided that the Company and the Agent agree that, notwithstanding the filing of the Prospectus and Prospectus Supplement in the Province of Québec, the Units will not be offered or sold in the Province of Québec. Each purchaser who is resident in a Qualifying Jurisdiction shall purchase the Units pursuant to the Prospectus. Each other purchaser not resident in a Qualifying Jurisdiction, or located outside of a Qualifying Jurisdiction, shall purchase Units, which have been qualified by the Prospectus in Canada, only on a private placement basis under the applicable securities laws of the jurisdiction in which the purchaser is resident or located, in accordance with such procedures as the Company and the Agent may mutually agree, acting reasonably, in order to fully comply with Applicable Laws and the terms of this Agreement (including Schedule "B" to this Agreement with respect to re-offers and re-sales of Units in the United States or to, or for the account or benefit of, U.S. Persons or a person in the United States). The Company hereby agrees to comply with all Applicable Securities Laws on a timely basis in connection with the distribution of the Units and the Company shall execute and file with the Securities Commissions all forms, notices and certificates relating to the Offering required to be filed pursuant to Applicable Securities Laws in the Qualifying Jurisdictions within the time required, and in the form prescribed, by Applicable Securities Laws in the Qualifying Jurisdictions. The Company also agrees to file within the periods stipulated under Applicable Laws outside of Canada and at the Company's expense all private placement forms required to be filed by the Company in connection with the Offering and pay all filing fees required to be paid in connection therewith so that the distribution of the Units outside of Canada may lawfully occur without the necessity of filing a prospectus or any similar document under the Applicable Laws outside of Canada. The Agent agrees to offer the Units for sale only in the Qualifying Jurisdictions and to offer the Units to purchasers in the United States or purchasing for the account or benefit of U.S. Persons and, subject to the written consent of the Company (acting reasonably), in such jurisdictions outside of the Qualifying Jurisdictions and the United States where permitted by and in accordance with Applicable Securities Laws and the applicable securities laws of such other jurisdictions, and provided that in the case of jurisdictions other than the Qualifying Jurisdictions and the United States, the Company shall not be required to become registered or file a prospectus or registration statement or similar document in such jurisdictions and the Company will not be subject to any continuous disclosure requirements in such jurisdiction.

(b) In order to coordinate efforts to effect the Offering, during the period of the engagement of the Agent hereunder, without the prior written consent of the Agent, neither the Company nor any of its representatives shall, directly or indirectly (except through the Agent), solicit any offer from any party to provide or participate in the Offering. The Company will not take or permit its representatives or any of its other agents, affiliates or associates to take any action that would cause the Offering to fail to qualify for an exemption from the registration requirements of the Applicable Laws of any jurisdiction in which the Units will

not be registered. The Company agrees that it will comply with all Applicable Laws in connection with the Offering.

(c) Until completion of the Distribution Period, the Company shall promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Applicable Securities Laws to continue to qualify the distribution of the Units, or in the event that the Units have for any reason ceased to so qualify, to so qualify again the Units for distribution in the Qualifying Jurisdictions. The Company hereby agrees to comply with all Applicable Securities Laws on a timely basis in connection with the distribution of the Units and the Company shall execute and file with the Securities Commissions all forms, notices and certificates relating to the Offering required to be filed pursuant to Applicable Securities Laws within the time required, and in the form prescribed, by Applicable Securities Laws.

(d) The Company agrees that the Agent will be permitted to appoint other registered dealers (or other dealers duly licensed in their respective jurisdictions) (any such dealer being a "**Selling Firm**") as its agents to assist in the Offering and that the Agent may determine the remuneration payable to the Selling Firms. Such remuneration shall be payable by the Agent.

3. Filing of Prospectus Supplement

(a) As of the date of this Agreement, (i) the Company has prepared and filed the Preliminary Prospectus and other required documents with the Securities Commissions under the Applicable Securities Laws pursuant to the Passport System and NP 11-202 and designated the BCSC as the principal regulator thereunder and has obtained the Preliminary Receipt evidencing that a receipt has been issued or is deemed to have been issued for the Preliminary Prospectus by each of the Securities Commissions of the other Qualifying Jurisdictions, (ii) the Company has addressed the comments made by such Securities Commissions in respect of the Preliminary Prospectus and has been cleared by all of the Securities Commissions to file the Prospectus, and (iii) the Company has prepared and filed the Prospectus and other required documents with the Securities Commissions under the Applicable Securities Laws pursuant to the Passport System and NP 11-202 and designated the BCSC as the principal regulator thereunder and has obtained the Final Receipt evidencing that a receipt has been issued or is deemed to have been issued for the Prospectus by each of the Securities Commissions of the other Qualifying Jurisdictions,

(b) The Company shall, not later than 5:00 p.m. (Vancouver time) on June 28, 2022 (or such later date as may be agreed to in writing by the Company and the Agent, each acting reasonably), have prepared and filed the Prospectus Supplement and other required documents with the Securities Commissions under the Applicable Securities Laws, and otherwise fulfilled all legal requirements to qualify the Units for distribution to the public in the Qualifying Jurisdictions through the Agent or any other registered dealer in the applicable Qualifying Jurisdictions.

(c) During the period of distribution of the Units, the Company will promptly take, or cause to be taken, any additional steps and proceedings that may from time to time be required under the Applicable Securities Laws, or requested by the Agent, to continue to qualify the distribution of the Units.

(d) Prior to the filing of the Prospectus Supplement and thereafter, during the period of distribution of the Units, including prior to the filing of any Supplementary Material, the Company shall allow the Agent to review and comment on such documents and shall allow the Agent to conduct all due diligence investigations (including through the conduct of oral due diligence sessions at which management of the Company, the chair of the Company's audit committee, its current and former auditors, legal counsel and other applicable experts) which they may reasonably require in order to fulfill its obligations as agent in order to enable it to execute the certificate required to be executed by them at the end of the Offering Documents. Without limiting the scope of the due diligence inquiry the Agent (or its counsel) may conduct, the Company shall use its best efforts to make available its directors, senior management, auditors and legal counsel to answer any questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to filing of the Prospectus Supplement and any Supplementary Material.

4. Distribution and Certain Obligations of the Agent

(a) The Agent shall, and shall use commercially reasonable efforts to require any Selling Firm to agree to, comply with the Applicable Securities Laws in connection with the distribution of the Units and shall offer the Units for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Prospectus Supplement and this Agreement. The Agent shall, and shall use commercially reasonable efforts to require any Selling Firm to agree to, offer for sale to the public and sell the Units only in those jurisdictions where they may be lawfully offered for sale or sold and shall seek the prior consent of the Company, such consent not to be unreasonably withheld, regarding the jurisdictions other than the Qualifying Jurisdictions and the United States and other jurisdictions where the Units are to be offered and sold. The Agent shall: (i) use all commercially reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Units as soon as reasonably practicable but in any event no later than 42 days after the filing of the Prospectus Supplement; and (ii) as soon as practicable after the completion of the distribution of the Units, and in any event within 30 days after the later of the Closing Date or the last Option Closing Date, notify the Company thereof and provide the Company with a breakdown of the number of Units distributed in the Qualifying Jurisdictions.

(b) The Agent and any Selling Firms shall be entitled to offer and sell the Units to purchasers in the United States or to or for the account or benefit of U.S. Persons to (i) U.S. Accredited Investors, or (ii) Qualified Institutional Buyers, pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 506(c) of Regulation D under the U.S. Securities Act and similar exemptions from the registration requirements under applicable state securities laws, with whom the Agent and any Selling Firm has a pre-existing relationship with such U.S. Accredited Investor or Qualified Institutional Buyer prior to October 20, 2021, and in other jurisdictions in accordance with any applicable securities and other laws in the jurisdictions in which the Agent and/or Selling Firms offer the Units. Any offer or sale of the Units to purchasers in the United States or to or for the account or benefit of U.S. Persons will be made in accordance with Schedule "B" hereto.

(c) During the distribution of the Units, other than the Offering Documents, the press release announcing the Offering and the Term Sheets (which Term Sheet the Company and the Agent agree is a "template version" within the meaning of NI 44-101 of such marketing materials), the Company and the Agent shall not provide any potential investor with any materials or written communication in relation to the distribution of the Units. The Company

and the Agent, on a several basis, covenant and agree (i) not to provide any potential investor of Units with any marketing materials unless a template version of such marketing materials has been filed by the Company with the Securities Commissions on or before the day such marketing materials are first provided to any potential investor of Units, (ii) not to provide any potential investor in the Qualifying Jurisdictions with any materials or information in relation to the distribution of the Units or the Company other than (a) such marketing materials that have been approved and filed in accordance with NI 44-101, (b) the Preliminary Prospectus, the Prospectus, the Prospectus Supplement and any Supplementary Material, and (c) any "standard term sheets" (within the meaning of Applicable Securities Laws) approved in writing by the Company and the Agent, and (iii) that any marketing materials approved and filed in accordance with NI 44-101 and any standard term sheets approved in writing by the Company and the Agent, shall only be provided to potential investors in the Qualifying Jurisdictions (other than the Province of Québec).

(d) The Agent and each Selling Firm, if any, understands that the Company has a "substantial U.S. market interest" in its equity securities, as such term is defined in Rule 902(j) of Regulation S under the U.S. Securities Act, and severally represents, warrants, covenants and acknowledges that except as permitted by Schedule "B" attached hereto:

(i) it will not offer or sell the Units or Compensation Securities within the United States or to, or for the account or benefit of, U.S. Persons: (A) as part of its distribution at any time or (B) otherwise until a one-year distribution compliance period after the later of the commencement of the Offering and the Closing Date or an Option Closing Date (as applicable (the "**Distribution Compliance Period**"); and

(ii) any offer or sale of the Units or Compensation Securities during the Distribution Compliance Period will only be made pursuant to the following conditions:

A. in compliance with Rule 903 of Regulation S to non-U.S. Persons who are not acquiring the Units or Compensation Securities for the account or benefit of any U.S. Person, who agree to resell such securities only in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration thereunder, and who agree not to engage in hedging transactions with regard to such securities unless in compliance with the U.S. Securities Act; or

B. to a U.S. Person in a transaction not requiring registration under the U.S. Securities Act; and

C. each distributor (as defined in Regulation S) selling securities to a distributor, a dealer (as defined in Section 2(a)(12) of the U.S. Securities Act), or a person who is receiving a selling concession, fee or other remuneration in respect of the Units (if any), to which it sells Units during the Distribution Compliance Period, will send to the purchase a confirmation or other notice stating that the purchase is subject to the same restrictions on offers and sales that apply to a distributor.

5. Deliveries on Filing and Related Matters

(a) The Company shall deliver to the Agent:

(i) on the date hereof, a copy of the Preliminary Prospectus and the Prospectus signed by the Company as required by Applicable Securities Laws;

(ii) concurrently with the filing of the Prospectus Supplement, a copy of the Prospectus Supplement, signed by the Company as required by Applicable Securities Laws;

(iii) concurrently with the filing thereof, a copy of any Supplementary Material required to be filed by the Company in compliance with Applicable Securities Laws;

(iv) concurrently with the filing of the Prospectus Supplement with the Securities Commissions, “long form” comfort letters dated the date of the Prospectus Supplement, in form and substance satisfactory to the Agent, acting reasonably, addressed to the Agent and the directors of the Company from the current auditor of the Company with respect to the Financial Statements and other financial and accounting information relating to the Company contained or incorporated by reference in the Prospectus Supplement, which letter shall be based on a review by such auditor within a cut-off date and based on a review of not more than two Business Days prior to the date of the letters, which letter shall be in addition to any auditors’ comfort and consent letter addressed to the Securities Commissions in the Qualifying Jurisdictions;

(v) prior to the Closing, copies of correspondence demonstrating that the listing and posting for trading on the CSE of the Common Shares (including the Common Shares issuable upon exercise of the Compensation Warrants) and the Warrant Shares has been approved subject only to the satisfaction by the Company of such customary and standard conditions imposed by the CSE in similar circumstances and set forth in a letter of the CSE addressed to the Company, if any, and the CSE’s policies (the “**Standard Listing Conditions**”); and

(vi) copies of all other documents resulting or related to the Company taking all other steps and proceedings that may be necessary in order to qualify the Units for distribution in each of the Qualifying Jurisdictions by the Agent and other persons who are registered in a category permitting them to distribute the Units under Applicable Securities Laws and who comply with such Applicable Securities Laws.

(b) ***Supplementary Material***

If applicable, the Company shall also prepare and deliver promptly to the Agent signed copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material or the incorporation by reference in the Prospectus Supplement of any Subsequent Disclosure Document, the Company shall delivery to the Agent, with respect to such Supplementary Material or Subsequent Disclosure Documents, comfort letter substantially similar to the letters referred to in Section 5(a)(iv).

(c) ***Representations as to Prospectus and Supplementary Material***

Each delivery to the Agent of any Offering Document by the Company shall constitute the representation and warranty of the Company to the Agent that:

(i) all information and statements (except for the Agent's Information) contained and incorporated by reference in such Offering Documents, are, at their respective dates, and, if applicable, the respective dates of filing, of such Offering Documents, true and correct in all material respects and contain no misrepresentation and, on the respective dates of such Offering Documents, constitute full, true and plain disclosure of all material facts relating to the Company and the Subsidiaries (on a consolidated basis) and the Units, Additional Securities, Common Shares, Warrants, and Warrant Shares as required by Applicable Securities Laws of the Qualifying Jurisdictions;

(ii) no material fact or information (except for the Agent's Information) has been omitted from any Offering Document which is required to be stated therein or is necessary to make the statements therein not misleading in the light of the circumstances in which they were made; and

(iii) each of such Offering Documents complies with the requirements of the Applicable Securities Laws of the Qualifying Jurisdictions.

Such deliveries shall also constitute the Company's consent to the Agent and any Selling Firm's use of the Offering Document in connection with the distribution of the Units in compliance with this Agreement.

(d) ***Delivery of Prospectus and Related Matters***

The Company will cause to be delivered to the Agent, at those delivery points as the Agent reasonably requests, as soon as possible and in any event no later than 12:00 noon (Toronto time) on the next Business Day (or by 12:00 noon (Toronto time) on the second Business Day for deliveries outside of Toronto), in each case following the day on which the Prospectus Supplement is filed with the Securities Commissions, and thereafter from time to time during the distribution of the Units, as many commercial copies of the Preliminary Prospectus, the Prospectus, and/or the Prospectus Supplement, as applicable, as the Agent may reasonably request. Each delivery of any of the Offering Documents will have constituted or will constitute, as the case may be, consent of the Company to the use by the Agent and any Selling Firms of those documents in connection with the distribution and sale of the Units in all of the Qualifying Jurisdictions (other than the Province of Québec and of the U.S. Placement Memorandum for the distribution of the Units to purchasers in the United States or purchasing for the account or benefit of U.S. Persons in compliance with the provisions of Schedule "B".

(e) ***Press Releases***

Neither the Company, nor the Agent, shall make any public announcement in connection with the Offering, except if the other party has consented to such announcement or the announcement is required by applicable laws or stock exchange rules. For greater certainty, during the period commencing on the date hereof and until completion of the distribution of the Units, the Company will promptly provide to the Agent drafts of any press releases

of the Company for review and comment by the Agent and the Agent's counsel prior to issuance, provided that any such review will be completed in a timely manner, and the Company will incorporate in such press releases all reasonable comments of the Agent. To deal with the possibility that the Units may be offered and sold to persons that are, or are acting for the account or benefit of, purchasers in the United States or U.S. Persons, any such press release shall contain a legend in substantially the following form at the top of the first page: "NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES."; and any such press release shall also contain disclosure substantially in the following form in accordance with Rule 135e under the U.S. Securities Act:

"The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful."

6. Material Change

(a) The Company shall promptly inform the Agent (and promptly confirm such notification in writing) during the period prior to the Agent notifying the Company of the completion of the distribution of the Units in accordance with Section 4(a) hereof of the full particulars of:

(i) any material change whether actual, anticipated, contemplated, or to the knowledge of the Company, threatened or proposed in the Company or any Subsidiary or in any of their respective businesses, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, properties, condition (financial or otherwise) or results of operations or in the Offering;

(ii) any material fact which has arisen or has been discovered or any new material fact that would have been required to have been stated in the Offering Documents had that fact arisen or been discovered on or prior to the date of any of the Offering Documents;

(iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained or incorporated by reference in the Offering Documents or whether any event or state of facts has occurred after the date hereof, which, in any case, is, or may be, of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, including as a result of any of the Offering Documents containing or incorporating by reference therein an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not false or not misleading in the light of the circumstances in which it was made, or which could result in any of the Offering Documents not complying with the Applicable Securities Laws of any Qualifying Jurisdiction;

(iv) any notice by any governmental, judicial or regulatory authority requesting any information, meeting or hearing relating to the Company, any Subsidiary or the Offering; or

(v) any other event or state of affairs that would reasonably be expected to be relevant to the Agent's due diligence investigations in respect of the Offering.

(b) Subject to Section 6(d), the Company will prepare and file promptly (and, in any event, within the time prescribed by Applicable Securities Laws) any Supplementary Material which may be necessary under the Applicable Securities Laws, and the Company will prepare and file promptly at the request of the Agent any Supplementary Material which, in the opinion of the Agent, acting reasonably, may be necessary or advisable, and will otherwise comply with all legal requirements necessary, to continue to qualify the Units for distribution in each of the Qualifying Jurisdictions.

(c) During the period commencing on the date hereof until the Agent notifies the Company of the completion of the distribution of the Units, the Company will promptly inform the Agent in writing of the full particulars of:

(i) any request of any Securities Commission for any amendment to any Offering Document or for any additional information in respect of the Offering or the Company;

(ii) the receipt by the Company of any material communication, whether written or oral, from any Securities Commission, the CSE, or any other competent authority, relating to the Preliminary Prospectus, the Prospectus, the Prospectus Supplement, any Supplementary Material, the distribution of the Units, Compensation Warrants, Common Shares, Warrants, Warrant Shares, Additional Securities, or the Company or any Subsidiary;

(iii) any notice or other correspondence received by the Company from any Governmental Authority and any requests from such bodies for information, a meeting or a hearing relating to the Company, any Subsidiary, the Offering, the issue and sale of the Units, Compensation Warrants, Common Shares, Warrants, Warrant Shares, Additional Securities, or any other event or state of affairs that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or

(iv) the issuance by any Securities Commission, the CSE, or any other competent authority, including any other Governmental Authority, of any order to cease or suspend trading or distribution of any securities of the Company (including Units, Common Shares, Warrants, Warrant Shares, Additional Securities or Compensation Warrants) or of the institution, threat of institution of any proceedings for that purpose or any notice of investigation that could potentially result in an order to cease or suspend trading or distribution of any securities of the Company (including Units, Common Shares, Warrants, Warrant Shares, Additional Securities or Compensation Warrants).

(d) In addition to the provisions of Sections 6(a), 6(b) and 6(c) hereof, the Company shall in good faith discuss with the Agent any circumstance, change, event or fact contemplated in Sections 6(a), 6(b) or 6(c) which is of such a nature that there is or could be reasonable

doubt as to whether notice should be given to the Agent under Sections 6(a), 6(b) or 6(c) hereof and shall consult with the Agent with respect to the form and content of any Supplementary Material proposed to be filed by the Company, it being understood and agreed that any such Supplementary Material shall not be filed with any Securities Commission prior to the review and approval thereof by the Agent and their counsel, acting reasonably.

7. Regulatory Approvals

(a) In connection with the filing of the Prospectus Supplement with the Securities Commissions, the Company shall file or cause to be filed with the CSE all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Company has obtained all necessary approvals for the Common Shares (including the Common Shares comprising the Units and issuable upon exercise of the Compensation Warrants) and the Warrant Shares to be conditionally listed on the CSE subject only to the Standard Listing Conditions.

(b) The Company will make all necessary filings and obtain all necessary regulatory consents and approvals (if any), and the Company will pay all filing, exemption and other fees required to be paid in connection with the transactions contemplated in this Agreement.

8. Representations and Warranties of the Company

The Company represents and warrants to the Agent, and acknowledges that the Agent is relying on such representations and warranties in connection with the transactions contemplated by this Agreement, that:

(a) the Company: (i) has been duly incorporated, amalgamated, continued or organized and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization, and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct its business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; and (ii) where required, has been duly qualified as an extra-provincial or foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts any business;

(b) other than the Subsidiaries, the Company has no subsidiaries and no investment in any person which is or would be material to the business and affairs of the Company. The Subsidiaries are the only subsidiaries of the Company;

(c) each Subsidiary: (i) has been duly incorporated, amalgamated, continued or organized and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct its business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; and (ii) where required, has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases property, or conducts any business and is not precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;

(d) the Company and each Subsidiary (i) has conducted and has been conducting its business in compliance in all material respects with all Applicable Laws of each jurisdiction in which its business is carried on or in which its services are provided and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Applicable Laws, (ii) is not in breach or violation of any judgment, order or decree of any Governmental Authority or court having jurisdiction over the Company or any Subsidiary, as applicable, (iii) holds all, and are not in breach of any, material Governmental Licences (as defined in Section 8(bbb)) that enable its business to be carried on as now conducted in each of the jurisdictions it carries on business and enable it to own, lease or operate its Assets and Properties, and none of the Subsidiaries nor, to the knowledge of the Company, any other person, has taken any steps or proceedings, voluntary or otherwise, requiring or authorizing such Subsidiaries' dissolution or winding up;

(e) the Company is the direct or indirect registered and beneficial owner of all of the issued and outstanding shares and other voting securities of each Subsidiary, in each case free and clear of all Encumbrances, and no person, firm, corporation or entity has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company or any Subsidiary of any of the shares or other securities of any Subsidiary;

(f) none of the Company or any Subsidiary has been served with or otherwise received notice of any legal or governmental proceedings and there are no legal or governmental proceedings (whether or not purportedly on behalf of the Company) pending to which the Company or any Subsidiary is a party or of which any property or assets of the Company or any Subsidiary is the subject which is reasonably likely, individually or in the aggregate, to have a Material Adverse Effect, or which might reasonably be expected to materially and adversely affect the consummation by the Company of the transactions contemplated by this Agreement and, to the best of the Company's knowledge, no such proceedings have been threatened or contemplated by any Governmental Authority or any other parties;

(g) neither the Company nor the Subsidiaries own real property; with respect to each premises which is material to the Company or any Subsidiary and which the Company or any Subsidiary occupies as tenant (the "**Leased Premises**"), the Company or the Subsidiary (as applicable) occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and neither the Company nor any Subsidiary is in breach or violation of or in default under any of the leases pursuant to which the Company or the Subsidiary (as applicable) occupies the Leased Premises and to the best of the Company's knowledge, such leases are valid, in good standing and in full force and effect and are enforceable against the respective lessors thereof;

(h) the Company and each Subsidiary is the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof as described in the Offering Documents free and clear of all Encumbrances and defects of title except such as are disclosed in the Offering Documents or such as are not material, individually or in the aggregate, to the Company or any Subsidiary, and (A) no other material property or assets are necessary for the conduct of the business of the Company or any Subsidiary as currently conducted, (B) the Company has no knowledge of any claim or the basis for any claim that might or could materially and adversely affect the right of the Company or any Subsidiary to use, transfer or otherwise exploit such property or assets, and (C) neither the Company

nor the Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;

(i) the Financial Statements:

(i) have been prepared in accordance with Applicable Securities Laws and IFRS, applied on a consistent basis throughout the periods referred to therein, except as otherwise disclosed therein;

(ii) present fairly, in all material respects, the financial position and condition of the Company and the Subsidiaries on a consolidated basis as at the dates thereof and the results of its operations and the changes in its shareholder's equity and cash flows for the periods then ended, and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Company and the Subsidiaries on a consolidated basis in accordance with IFRS, and do not contain a misrepresentation; and

(iii) have been audited (in the case of the annual financial statements comprising the Financial Statements) or reviewed (in the case of the interim financial statements comprising the Financial Statements) by independent public accountants within the meaning of Applicable Securities Laws and the rules of the Chartered Professional Accountants of Canada;

(j) the accountants who audited or reviewed (as the case may be) the Financial Statements are independent with respect to the Company within the meaning of Applicable Securities Laws and there has not been any "reportable event" (within the meaning of NI 51-102) with the current auditors or any former auditors of the Company during the past five financial years;

(k) [intentionally deleted];

(l) there are no material liabilities of the Company whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Financial Statements, except for liabilities incurred in the ordinary course of business since February 28, 2022, and which liabilities would not, individually or in the aggregate, have a Material Adverse Effect;

(m) the audit committee's responsibilities and composition comply with National Instrument 52-110 - *Audit Committees*;

(n) except as disclosed in the Offering Documents, none of the directors, executive officers or shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding Common Shares or any known associate or affiliate of any such person, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Company which, as the case may be, materially affects, is material to or will materially affect the Company and its Subsidiaries on a consolidated basis;

(o) the Company and each Subsidiary has duly and on a timely basis filed all foreign, federal, state, provincial and municipal tax returns required to be filed by it, has paid, collected, withheld and remitted all taxes due and payable or required to be collected, withheld and remitted by the Company and the Subsidiaries, respectively, and has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other

fines due and payable by it and which are claimed by any Governmental Authority to be due and owing, except where the failure to pay would not, individually or in the aggregate, have a Material Adverse Effect, and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Company or by any Subsidiary; there are no actions, suits, proceedings, investigations or claims pending or, to the best of the Company's knowledge, threatened against the Company or any Subsidiary in respect of taxes, governmental charges or assessments; and there are no matters under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority;

(p) the Company and each of the Subsidiaries have established on their books and records reserves that are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Company or any of the Subsidiaries, and, to the best of the Company's knowledge, there are no audits pending of the tax returns of the Company or any of the Subsidiaries (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any Governmental Authority of any deficiency that could, individually or in the aggregate, have a Material Adverse Effect;

(q) the Company and/or the Subsidiaries own, or have obtained valid and enforceable licenses for, or other rights to use, the Intellectual Property including, for greater certainty, the Intellectual Property described in the Disclosure Record; the Company has no knowledge that the Company or any Subsidiary lacks or will be unable to obtain any rights or licenses to use all Intellectual Property (including for the commercialization of the Company's products and services present or proposed) as described in the Offering Documents; no third parties have rights to any Intellectual Property of the Company or any Subsidiary, except for the ownership rights of the owners of the Licensed IP or except for any licenses of use granted by the Company and/or any Subsidiary therein; there is no pending or, to the best of the Company's knowledge, threatened action, suit, proceeding or claim by others challenging the validity or enforceability of any Intellectual Property or the Company's or any Subsidiary's rights in or to any Intellectual Property or suggesting that any other person has any claim of legal or beneficial ownership or other claim or interest with respect thereto, the Company has no knowledge of any facts which form a reasonable basis for any such claim, and to the best of the Company's knowledge, there has been no finding of unenforceability or invalidity of the Intellectual Property; to the best of the Company's knowledge, there is no patent or published patent application that contains claims that interfere with the issued or pending claims of any of the Intellectual Property of the Company or any Subsidiary; and to the best of the Company's knowledge, there is no prior art that necessarily renders any patent application owned by the Company or any Subsidiary unpatentable that has not been disclosed to the US Patent and Trademark Office or any similar office in Canada or any other jurisdiction;

(r) other than Licensed IP, the Company and/or the Subsidiaries are the legal and beneficial owners of, have good and marketable title to, and own all right, title and interest in and to all Intellectual Property free and clear of all Encumbrances or adverse interests whatsoever, covenants, conditions, options to purchase and restrictions or other adverse claims of any kind or nature; no consent of any person is necessary to make, use, reproduce, license, sell, modify, update, enhance or otherwise exploit any Intellectual Property and none of the

Intellectual Property of the Company or any Subsidiary comprises an improvement to Licensed IP that would give any person any rights to any such Intellectual Property, including, without limitation, rights to license any such Intellectual Property;

(s) the Company and its Subsidiaries have used commercially reasonable efforts to maintain and protect the Intellectual Property owned by the Company and/or any Subsidiary; the Company and its Subsidiaries have, unless otherwise specified, making filings and payments of registration, maintenance, renewal or similar fees and to obtain ownership of such Intellectual Property developed for the Company and/or any Subsidiary by its employees, consultants and contractors; the Company and its Subsidiaries has secured written assignment agreements from all former and current employees, consultants and contractors that assign to the Company and/or a Subsidiary all rights, title and interest in and to any such Intellectual Property, and including with respect to all copyrightable Intellectual Property, securing from such employees, consultants and/or contractors waivers of moral rights in writing in favour of the Company, the Subsidiaries and their successors, assignees or licensees; there are no oppositions, cancellations, invalidity proceedings, interferences or re-examination proceedings pending with respect to any Intellectual Property owned by the Company and/or any Subsidiary or, to the best of the Company's knowledge, threatened; all applications for registration of any Intellectual Property owned by the Company and/or any Subsidiary have been properly filed and have been pursued by the Company and the Subsidiaries in the ordinary course of business, and neither the Company nor any of the Subsidiaries has received any notice (whether written, oral or otherwise) indicating that any application for registration of the Intellectual Property owned by the Company and/or any Subsidiary has been finally rejected or denied by the applicable reviewing authority, except for any rejection or denial that would not, individually or in the aggregate, have a Material Adverse Effect;

(t) to the best of the Company's knowledge, the conduct of the business of the Company and the Subsidiaries (including, without limitation, the sale of their respective products and services, or the use or other exploitation of the Intellectual Property by the Company, the Subsidiaries or any customers, distributors or other licensees thereof) has not infringed, violated, misappropriated or otherwise conflicted with (and does not infringe, violate, misappropriate or otherwise conflict with) any Intellectual Property right of any person; there is no pending or threatened action, suit, proceeding or claim by others alleging that any current or proposed conduct of their respective businesses (including, without limitation, the sale of their respective products and services, or use or other exploitation of any Intellectual Property by the Company, the Subsidiaries or any customers, distributors or other licensees) infringes, violates, misappropriates or otherwise conflicts with (or would infringe, violate, misappropriate or otherwise conflict with) any Intellectual Property of others, and the Company has no knowledge of any facts which form a reasonable basis for any such claim;

(u) to the best of the Company's knowledge, no person has infringed or misappropriated, or is infringing or misappropriating, any rights of the Company and/or any Subsidiary in or to the Intellectual Property;

(v) the Company has entered into valid and enforceable written agreements pursuant to which the Company has been granted all licenses and permissions to use, reproduce, sub-license, sell, modify, update, enhance or otherwise exploit the Licensed IP to the extent required for the conduct of the business of the Company and the Subsidiaries as currently conducted or as proposed to be conducted (including, if required, the right to incorporate such Licensed

IP into the Intellectual Property). All license agreements in respect of Licensed IP are in full force and effect and none of the Company, any of the Subsidiaries or to the best of the Company's knowledge, any other person, is in default of its obligations thereunder;

(w) to the extent that any of the Intellectual Property is licensed or disclosed to any person or any person has access to such Intellectual Property (including but not limited to any employee, officer, shareholder, consultant, systems-integrator, distributor, Contract counterparty, or other customer of the Company or any of the Subsidiaries), the Company has entered into a valid and enforceable written agreement which contains terms and conditions prohibiting the unauthorized use, reproduction, disclosure or transfer of such Intellectual Property by such person. Other than such agreements that have expired in accordance with their respective terms, all such agreements are in full force and effect and none of the Company, any of the Subsidiaries or, to the best of the Company's knowledge, any other person, is in default of its obligations thereunder except for any default which is immaterial;

(x) the Company is a reporting issuer in each of the Qualifying Jurisdictions, is not in default under the Applicable Securities Laws of the Qualifying Jurisdictions and is not on the list of defaulting issuers maintained by the applicable Securities Commissions in the Qualifying Jurisdictions;

(y) the Company is in compliance with its timely and continuous disclosure obligations under the Applicable Securities Laws of each of the Qualifying Jurisdictions and the policies, rules and regulations of the CSE and, without limiting the generality of the foregoing, there has not occurred any material change (actual, anticipated, contemplated or threatened) in the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, assets, properties, condition (financial or otherwise), results of operations or control of the Company and the Subsidiaries taken as a whole since September 23, 2015 which has not been set forth in the Disclosure Record or otherwise publicly disclosed on a non-confidential basis, and the Company has not filed any confidential material change reports since September 23, 2015 which remains confidential as at the date hereof;

(z) to the best of the Company's knowledge, no agreement is in force or effect which in any manner affects the voting or control of any of the securities of the Company or any Subsidiary;

(aa) the Company is authorized to issue an unlimited number of Common Shares, of which 1,674,868 Common Shares are issued and outstanding as of the date hereof, and all such issued Common Shares are validly issued and outstanding, and no person, firm or corporation has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option or privilege (whether pre-emptive or contractual), for the issue or allotment of any unissued shares in the capital of the Company or any Subsidiary or any other security convertible into or exchangeable for any such shares, or to require the Company or any Subsidiary to purchase, redeem or otherwise acquire any of the outstanding securities in the capital of the Company or any Subsidiary, except as disclosed in the Offering Documents;

(bb) each of the execution and delivery of this Agreement, the Warrant Indenture and any certificate representing the Compensation Warrants, the performance by the Company of its obligations hereunder and thereunder, including the offer, issue and sale of the Units and/or

Additional Securities (including the Common Shares and Warrants comprising the Units and/or Additional Securities), the issue and sale of the Warrant Shares underlying the Warrants, the grant and issue of the Compensation Warrants, and the consummation of the transactions contemplated in this Agreement and the Warrant Indenture, do not and will not:

(i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, and do not and will not create a state of facts which will result in a breach or violation of or constitute a default under, whether after notice or lapse of time or both, (i) any statute, rule or regulation applicable to the Company or any Subsidiary, including Applicable Securities Laws; (ii) the articles, notice of articles or resolutions of the shareholders, directors or any committee of directors of the Company or any Subsidiary; (iii) any material mortgage, note, indenture, Contract, agreement, joint venture, partnership, instrument, lease or other document to which the Company or any Subsidiary is a party or by which it is bound; (iv) any judgment, decree or order binding the Company or its Assets and Properties or any Subsidiary or its Assets and Properties; or (v) any statute, rule, regulation or law applicable to the Company or any Subsidiary, including, without limitation, the Applicable Securities Laws, or any judgment, order or decree of any Governmental Authority or court having jurisdiction over the Company;

(ii) affect the rights, duties and obligations of any parties to any material indenture, agreement or instrument to which the Company or any Subsidiary is a party, nor give a party the right to terminate any such indenture, agreement or instrument by virtue of the application of terms, provisions or conditions in such indenture, agreement or instrument;

(iii) require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange, Securities Commission or other third party, except such as have been obtained or such as may be required (and shall be obtained by the Company prior to the Closing Time) under Applicable Securities Laws or stock exchange regulations except (i) those which have been obtained or those which may be required and shall be obtained prior to the Closing Time under Applicable Securities Laws or the rules of the CSE, and (ii) such post-Closing notice filings with Securities Commissions and the CSE as may be required in connection with the Offering, including under Applicable Securities Laws in the United States and related post-Closing notice filings as may be required in connection with the issue and sale of Units in the United States or to or for the account or benefit of U.S. Persons; and

(iv) do not affect the rights, duties and obligations of any parties to any material indenture, agreement or instrument to which the Company or any Subsidiary is a party, nor give a party the right to terminate any such indenture, agreement or instrument by virtue of the application of terms, provisions or conditions in such indenture, agreement or instrument;

(cc) the execution and delivery of this Agreement, the Warrant Indenture and any certificate representing the Warrants, or the Compensation Warrants, and the performance of the transactions contemplated hereby and thereby (including the issuance, sale and delivery of the Units, the grant of the Over-Allotment Option, the grant and issue of the Compensation Warrants, the issuance, sale and delivery of the Additional Securities, Common Shares, and

Warrants, and the allotment and reservation for the issue and delivery of the Warrant Shares) have been duly authorized by all necessary corporate action of the Company and this Agreement has been, and the Warrant Indenture and any certificate representing the Warrants and the Compensation Warrants, will at the Closing Time be, duly executed and delivered by the Company and constitutes and will at the Closing Time constitute a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, provided that enforcement hereof or 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 and that the provisions relating to indemnity, contribution, severability and waiver of contribution may be limited under Applicable Law (the "**Qualification**");

(dd) the Company has the power, capacity and authority to offer, issue and sell the Units and Additional Securities, including the Common Shares, and Warrants comprising the Units and Additional Securities, and to issue and sell the Warrant Shares underlying the Warrants;

(ee) the Common Shares and the Warrants have been duly created, authorized, allotted and reserved for issuance and, at the applicable Closing Time:

(i) the Common Shares and, if applicable, any Common Shares comprising the Additional Securities will be duly and validly issued and outstanding as fully paid and non-assessable shares in the capital of the Company;

(ii) the Warrants and, if applicable, any Warrants comprising the Additional Securities will be duly created and validly issued and outstanding as fully paid securities of the Company; and

(iii) the Common Shares, Warrants, and, if applicable, the Additional Securities and their underlying securities, will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Company;

(ff) the Warrant Shares have been duly authorized, allotted and reserved for issuance, and, upon the exercise of the Warrants and payment of the exercise price therefor, will be validly issued and outstanding as fully paid and non-assessable Common Shares. The Warrant Shares will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Company;

(gg) the Company has the corporate power, capacity and authority to issue the Compensation Warrants; the Common Shares issuable upon exercise of the Compensation Warrants have been duly authorized, allotted and reserved for issuance and the Compensation Warrants have been duly authorized and created and, at the applicable Closing Time:

(i) the Compensation Warrants will be duly and validly created and issued and will be fully paid securities of the Company; and

(ii) the Compensation Warrants, will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Company;

(hh) the Common Shares and the Warrants have the attributes and characteristics and conform in all material respects with the descriptions thereof contained in the Offering Documents;

(ii) the Common Shares are listed and posted for trading on the CSE and, prior to the Closing Time, all necessary notices and filings will have been made with and all necessary consents, approvals, authorizations will have been obtained by the Company from the CSE to ensure that, subject to fulfilling the Standard Listing Conditions, the Common Shares (including the Common Shares comprising the Units and issuable upon exercise of the Compensation Warrants) and the Warrant Shares will be listed and posted for trading on the CSE upon their issuance;

(jj) no default exists under and no event has occurred which, after notice or lapse of time or both, or otherwise, constitutes a default under or breach, by the Company, any Subsidiary, or any other person, of any material obligation, agreement, covenant or condition contained in any material Contract to which the Company or any Subsidiary is a party or by which it or any of its properties may be bound; and no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Units, the Additional Securities, the Common Shares, the Warrants, the Warrant Shares, the Compensation Warrants or any other security of the Company has been issued or made by any Securities Commission or stock exchange or any other regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated or threatened by any such authority or under any Applicable Securities Laws;

(kk) except for the approval of the CSE to list the Common Shares and Warrant Shares there are no third party consents required to be obtained in order for the Company to complete the Offering;

(ll) to the best of the Company's knowledge, there is no legislation or governmental regulation which materially and adversely affects the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, assets, properties, condition (financial or otherwise) or results of operations of the Company or any Subsidiary;

(mm) except for the Agent as provided herein, and Ladenburg (as defined below) there is no person, firm or corporation acting for the Company entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder;

(nn) each of the documents forming the Disclosure Record filed by or on behalf of the Company with any Securities Commission or the CSE, did not contain a misrepresentation, determined as at the date of filing, which has not been corrected by the filing of a subsequent document which forms part of the Disclosure Record;

(oo) the minute books and records of each of the Company and the Subsidiaries made available to counsel for the Agent in connection with their due diligence investigation of the Company and the Subsidiaries for the periods from its date of incorporation to the date of examination thereof are all of the minute books and records of the Company and the Subsidiaries and contain copies of all proceedings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of the Company and the Subsidiaries to the date of review of such corporate records and minute books and other than with respect to the Offering there have been no other meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the

Company and the Subsidiaries to the date of review of such corporate records and minute books not reflected in such minute books and other records;

(pp) no material labour dispute with current and former employees of the Company or any of the Subsidiaries exists or is imminent and the Company has no knowledge of any existing, threatened or imminent labour disturbance or disruption by the employees of any of the principal suppliers, manufacturers or contractors of the Company;

(qq) there has not been and there is not currently any labour disruption or conflict which is adversely affecting or could reasonably be expected to adversely affect, in a material manner, the carrying on of the business of the Company or the Subsidiaries;

(rr) the Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged, and the Company has no reason to believe that it will not be able to renew the existing insurance coverage of the Company and the Subsidiaries 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, individually or in the aggregate, have a Material Adverse Effect;

(ss) except in compliance with Applicable Laws, neither the Company nor any Subsidiary has used any of its property or facilities to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances ("**Hazardous Substances**"); except in compliance with Applicable Laws, neither the Company nor any Subsidiary has caused or permitted the release, in any manner whatsoever, of any Hazardous Substances on or from any of its properties or assets or any such release on or from a facility owned or operated by third parties but with respect to which the Company or a Subsidiary is or may reasonably be alleged to have material liability or has received any notice that it is potentially responsible for a federal, provincial, municipal or local clean-up site or corrective action under any Applicable Laws, statutes, ordinances, by-laws, regulations or any orders, directions or decisions rendered by any ministry, department or administrative regulatory agency relating to the protection of the environment, occupational health and safety or otherwise relating to or dealing with Hazardous Substances in a manner that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect;

(tt) each employee benefit plan that is maintained, administered or contributed to by the Company or any of the Subsidiaries for employees or former employees of the Company or the Subsidiaries has been maintained in compliance with its terms and the requirements of any Applicable Laws and the fair market value of the assets of each such plan (excluding for these purposes accrued but unpaid contributions) exceeds the present value of all benefits accrued under such plan determined using reasonable actuarial assumptions;

(uu) the forms and terms of the certificates representing the Common Shares have been approved and adopted by the board of directors of the Company and the form and terms of the certificate representing the Common Shares do not and will not conflict with any Applicable Laws or the rules of the CSE;

(vv) TSX Trust Company, at its principal offices in Vancouver, British Columbia has been duly appointed as the registrar and transfer agent for the Common Shares;

(ww) the business and material property and assets of the Company and the Subsidiaries conform in all material respects to the descriptions thereof contained in the Offering Documents;

(xx) all Products and services provided to customers, in whole or in part, by the Company or any Subsidiary and all component parts which are supplied to the Company or any Subsidiary are, to the best of the Company's knowledge, manufactured or provided in full compliance with Applicable Laws and meet industry specific standards set by all organizations which pertain to the business of the Company and each Subsidiary and the Company's and each Subsidiary's Products and services have met and satisfied all product safety standards necessary to permit the sale of the Company's and each Subsidiary's Products and services in the jurisdictions in which they are sold;

(yy) the Company has, prior to the filing of the Prospectus Supplement, not distributed any securities under the Prospectus;

(zz) the decision of the *Autorité des marchés financiers* ("**AMF**") dated January 20, 2021, whereby the Company was granted a permanent exemption from the requirement to translate into French the Prospectus is still in full force and has not been rescinded, repealed, revoked or otherwise nullified by the AMF or any other Governmental Authority and applies to the Prospectus Supplement, including the Offering and the distribution of Units under the Prospectus;

(aaa) other than as disclosed in the Prospectus or arising in the ordinary course of business, the impact of the novel coronavirus (COVID-19) pandemic has not (i) resulted in any material decline in the consolidated revenues or increase in the consolidated liabilities of the Company and the Subsidiaries, taken as a whole, (ii) materially adversely impacted the workforce of the Company and the Subsidiaries, (iii) created any material disruptions in the supply chain or distribution infrastructure of the Company and the Subsidiaries, or (iv) otherwise resulted in a Material Adverse Effect;

(bbb) the Company and each of the Subsidiaries possesses such permits, certificates, licences, approvals, registrations, qualifications, consents and other authorizations issued by Governmental Authorities (collectively, "**Governmental Licences**"), as are necessary to conduct the business now operated by it in all jurisdictions in which it carries on business (as such business is currently conducted); (B) the Company and each Subsidiary is in material compliance with the terms and conditions of all such Governmental Licences; (C) all of such Governmental Licences are in good standing, valid and in full force and effect; (D) neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation, suspension, termination or modification of any such Governmental Licences, and there are no facts or circumstances, including without limitation facts or circumstances relating to the revocation, suspension, modification or termination of any Governmental Licenses held by others, known to the Company, that could lead to the revocation, suspension, modification or termination of any such Governmental Licenses if the subject of an unfavourable decision, ruling or finding, except where such revocation, suspension, modification or termination is not in respect of a material Governmental Licence or where such revocation, suspension, modification or termination would not, individually or in the aggregate, have a Material Adverse Effect; (E) neither the Company nor any Subsidiary is in material default with respect to filings to be effected or conditions to be fulfilled in order to maintain such Governmental Licenses in good standing; (F) none of such Governmental Licenses contains any term, provision, condition or limitation which has or would reasonably be expected to affect or restrict in any material respect the

operations or the business of the Company or any Subsidiary as now carried on or proposed to be carried on; (G) neither the Company nor any Subsidiary has reason to believe that any party granting any such Governmental Licenses is considering limiting, suspending, modifying, withdrawing or revoking the same in any material respect;

(ccc) None of the Company or any of its Subsidiaries has voluntarily or involuntarily initiated, conducted or issued, or caused to be initiated, conducted or issued, any recalls, market withdraws, safety alerts or other notice of material action relating to an actual or potential lack of safety, efficacy or the non-compliance with Applicable Healthcare Laws of any Product;

(ddd) all clinical and pre-clinical studies related to the development of the Products have been conducted, and to the extent they are still pending are currently being conducted, in accordance with accepted medical, scientific and ethical research procedures and all Applicable Laws;

(eee) none of the Company or any of its Subsidiaries is subject to any obligation arising under an administrative or regulatory action, inspection, warning letter, notice of violation letter, or other written notice, response or commitment made to or with the United States Food and Drug Administration, Health Canada or any other Governmental Authority, and to Company's knowledge, no such proceedings have been threatened;

(fff) none of the Company or any of its Subsidiaries, and to the Company's knowledge none of its or its Subsidiaries' officers, directors, and employees (i) are or have been a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement, compliance undertaking or other formal agreement or settlement with any Governmental Authority concerning compliance with Applicable Laws; (ii) have made any filings in the United States pursuant to the OIG or CMS self-disclosure protocol; (iii) have been a defendant in any action, or received a threat of any action, brought under a United States federal or state whistleblower statute, including without limitation the False Claims Act (31 U.S.C. § 3729 et seq.); and (iv) have been served with or received any written search warrant, subpoena (other than those related to actions against third parties), civil investigative demand or contact letter from a Governmental Authority;

(ggg) all forward-looking information and statements of the Company contained in the Offering Documents, including any forecasts and estimates, expressions of opinion, intention and expectation have been based on assumptions that are reasonable in the circumstances, and the Company has updated such forward-looking information and statements as required by and in compliance with Applicable Securities Laws;

(hhh) the statistical, industry and market related data included in the Offering Documents are derived from sources which the Company reasonably believes to be accurate, reasonable and reliable, and such data is consistent with the sources from which it was derived;

(iii) all information which has been prepared by the Company relating to the Company or any of the Subsidiaries and the business, property and liabilities thereof and provided or made available to the Agent, and all financial, marketing, sales and operational information provided to the Agent is, as of the date of such information, true and correct in all material respects, taken as whole, and no fact or facts have been omitted therefrom which would make such information materially misleading;

(jjj) (i) the responses given by the Company and its officers at all oral due diligence sessions conducted by the Agent in connection with the Offering, as they relate to matters of fact, have been and shall continue to be true and correct in all material respects as at the time such responses have been or are given, as the case may be, and such responses taken as a whole have 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 or shall be given, as the case may be; and (ii) where the responses reflect the opinion or view of the Company or its officers (including responses or portions of such responses which are forward-looking or otherwise relate to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable at the time they are given;

(kkk) the Company is not insolvent (within the meaning of Applicable Laws), is able to pay its liabilities as they become due and has sufficient working capital to fund its operations for at least 6 months following the Closing Date;

(lll) the Company has not withheld from the Agent any adverse material facts relating to the Company, any of the Subsidiaries or the Offering;

(mmm) the Company (i) has not made any significant acquisitions as such term is defined in Part 8 of NI 51-102 in its current financial year or prior financial years in respect of which historical and/or pro forma financial statements or other information would be required to be included or incorporated by reference into the Preliminary Prospectus, the Prospectus or the Prospectus Supplement and for which a business acquisition report has not been filed under NI 51-102, (ii) has not entered into any agreement or arrangement in respect of a transaction that would be a significant acquisition for purposes of Part 8 of NI 51-102, and (iii) there are no proposed acquisitions by the Company that have progressed to the state where a reasonable person would believe that the likelihood of the Company completing the acquisition is high and would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the Prospectus Supplement;

(nnn) each benefit plan or pension plan administered or provided by the Company or any of its Subsidiaries is duly registered where required by Applicable Laws (including registration with relevant tax authorities where such registration is required to qualify for tax exemption or other tax beneficial status). Each benefit plan or pension plan has been administered in compliance in all material respects with, and is in good standing under, Applicable Laws. Neither the Company nor any Subsidiary contributes to or has an obligation to contribute to a plan, program or arrangement that provides defined benefit pensions or for which the funding is determined by reference to a defined benefit. The Company does not have any outstanding indebtedness or any liabilities or obligations, including any unfunded obligation, under any such benefit plan or pension plan, whether accrued, absolute, contingent or otherwise;

(ooo) the Company is not currently party to any agreement in respect of the change of control of the Company (whether by sale or transfer of shares or sale of all or substantially all of the assets and properties of the Company or otherwise);

(ppp) all scientific research and experimental development ("**SR&ED**") tax incentives, or similar incentives in jurisdictions outside of Canada (including Australia), applied for by the Company or a Subsidiary are *bona fide* and the Company has no knowledge that Canada Revenue Agency, or other applicable Governmental Authority, will disallow, reassess or

reduce any SR&ED incentives, or similar incentives, applied for by or previously granted to the Company or a Subsidiary;

(qqq) all statements made in the Preliminary Prospectus, the Prospectus and the Prospectus Supplement describing the Units, the Additional Securities, the Common Shares, the Warrants, the Warrant Shares, the Compensation Warrants and the respective attributes thereof are complete and accurate in all material respects;

(rrr) the description of the regulations applicable to the Company, its Subsidiaries and their respective operations, as set forth in the Prospectus and the Documents Incorporated by Reference, is a reasonable, fair and accurate summary of the laws and regulations applicable to the Company and its Subsidiaries and their respective operations in the jurisdictions in which they operate, and was reviewed and approved by legal counsel in each of those jurisdictions mentioned therein;

(sss) the Company and the Subsidiaries and their directors, officers, employees and other representatives are familiar with and have conducted all transactions, negotiations, discussions and dealings in full compliance with anti-bribery and anti-corruption laws and regulations applicable in any jurisdiction in which they are located or conducting business. Neither the Company nor any Subsidiary has made any offer, payment, promise to pay, or authorization of payment of money or anything of value to any government official, or any other person while having reasonable grounds to believe that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a government official, for the purpose of (i) assisting the parties in obtaining, retaining or directing business; (ii) influencing any act or decision of a government official in his or its official capacity; (iii) inducing a government official to do or omit to do any act in violation of his or its lawful duty, or to use his or its influence with a government or instrumentality thereof to affect or influence any act or decision of such government or department, agency, instrumentality or entity thereof; or (iv) securing any improper advantage;

(ttt) the operations of the Company and the Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Applicable Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Authority involving the Company or any Subsidiary with respect to Applicable Anti-Money Laundering Laws is, to the knowledge of the Company, pending or threatened;

(uuu) the Company has filed a current annual information form in the form prescribed by NI 51-102 in each of the Qualifying Jurisdictions prior to the date of this Agreement; the Company is as of the date hereof an Eligible Issuer in the Qualifying Jurisdictions and, on the dates of and upon filing of the Preliminary Prospectus, the Prospectus and the Prospectus Supplement, has been and will continue to be an Eligible Issuer in the Qualifying Jurisdictions and there will be no documents required to be filed under the Applicable Securities Laws of the Qualifying Jurisdictions in connection with the Offering of the Units that will not have been filed as required as at those respective dates;

(vvv) the Company has obtained the approval and waiver from Ladenburg Thalmann & Co. Inc. ("**Ladenburg**") for the Agent to conduct the Offering and the maximum amount payable to Ladenburg by the Company is as set out in the Prospectus, and such amount shall be paid

by the Company from its existing funds and not with or using any proceeds from the Offering; the finder's warrants issuable to Ladenburg (as described in the Prospectus Supplement) will not, subject to the anti-dilution provisions thereof, have an exercise price thereunder that is less than $4.125 per Common Share (being the exercise price per Common Share of the Compensation Warrants);

(www) the Common Shares, Warrants and Warrant Shares will at the Closing Time qualify as eligible investments as described in the Prospectus Supplement under the heading "Eligibility for Investment" and the Company will not take or permit any action within its control which would cause the Common Shares, Warrants or Warrant Shares to cease to be qualified, during the period of distribution of the Units, as eligible investments to the extent so described in the Prospectus Supplement; and

(xxx) at the time of delivery thereof to the Agent:

(i) the Preliminary Prospectus complied, and the Prospectus, Prospectus Supplement and all Supplementary Material, if any, will comply, fully with the requirements of Applicable Securities Laws;

(ii) the Preliminary Prospectus and the Prospectus provided, and the Prospectus Supplement and all Supplementary Material, if any, will provide, full, true and plain disclosure of all material facts relating to the Company (on a consolidated basis) and the Units; and

(iii) the Preliminary Prospectus and the Prospectus did not, and the Prospectus Supplement and all Supplementary Material, if any, will not, contain any misrepresentation.

(yyy) the Company has determined that it has a "substantial U.S. market interest" in its equity securities, as such term is defined in Rule 902(j) of Regulation S under the U.S. Securities Act, and represents, warrants, covenants and acknowledges that:

(i) neither the Company nor any of its "affiliates" (as such term is defined in Rule 405 under the U.S. Securities Act), nor any person acting on its or their behalf (other than the Agent or any Selling Firms or any person acting on their behalf, in respect of which no representation is made), has made or will make: (A) any offer to sell, or any solicitation of any offer to buy, any Units to a person in the United States; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchase is (1) outside the United States or (2) the Company, its "affiliates", and any person acting on their behalf reasonably believe that the purchase is outside the United States;

(ii) the Company will refuse to register any transfer of Units, Warrants, Warrant Shares or Compensation Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration under the U.S. Securities Act; and

(iii) no affiliate of the Company will be permitted to participate in the Offering.

9. Covenants of the Company

The Company covenants and agrees with the Agent that the Company:

(a) will advise the Agent, promptly after receiving notice thereof, of the time when the Prospectus Supplement and any Supplementary Material has been filed and Passport Receipts have been obtained and will provide evidence satisfactory to the Agent of each such filing and copies of such Passport Receipts;

(b) will advise the Agent, promptly after receiving notice or obtaining knowledge of: (i) the issuance by any Securities Commission of any order suspending or preventing the use of the Preliminary Prospectus, the Prospectus, the Prospectus Supplement or any Supplementary Material or suspending or seeking to suspend the trading or distribution of the Units, Additional Securities, Common Shares, Warrants or Warrant Shares; (ii) the suspension of the qualification of the Units and/or Additional Securities for offering or sale in any of the Qualifying Jurisdictions (other than the Province of Québec); (iii) the institution, threatening or contemplation of any proceeding for any such purposes; or (iv) any requests made by any Securities Commission for amending or supplementing the Preliminary Prospectus, the Prospectus or the Prospectus Supplement or any Supplementary Material or for additional information, and will use its commercially reasonable efforts to prevent the issuance of any order or any suspension respectively referred to in (i) or (ii) above and, if any such order is issued, to obtain the withdrawal thereof as promptly as possible or if any such suspension occurs, to promptly remedy such suspension in accordance with this Agreement;

(c) will use its commercially reasonable efforts to remain, and to cause each Subsidiary to remain a corporation validly subsisting under the laws of its jurisdiction of incorporation or amalgamation, and to be duly licensed, registered or qualified as an extra-provincial or foreign corporation or entity in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and to carry on its business in the ordinary course and in compliance in all material respects with all Applicable Laws of each such jurisdiction, provided that the Company shall not be required to comply with this Section 9(c) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Company ceases to be a "reporting issuer" (within the meaning of Applicable Securities Laws);

(d) will use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws of each of the Qualifying Jurisdictions which have such a concept and will comply with all of its obligations under Applicable Securities Laws, provided that the Company shall not be required to comply with this Section 9(d) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Company ceases to be a "reporting issuer" (within the meaning of Applicable Securities Laws);

(e) will use its commercially reasonable efforts (including, without limitation, making application to the Securities Commissions of each Qualifying Jurisdiction for all consents, orders and approvals necessary) to maintain the listing of the Common Shares, on the CSE or such other recognized stock exchange or quotation system as the Agent may approve, acting reasonably, provided that the Company shall not be required to comply with this

Section 9(e) following the completion of a merger, amalgamation, arrangement, business combination or take-over bid pursuant to which the Company ceases to be a "reporting issuer" (within the meaning of Applicable Securities Laws);

(f) will ensure that the Common Shares and the Warrant Shares are, when issued, listed and posted for trading on the CSE upon their date of issuance;

(g) will apply the net proceeds from the issue and sale of the Units in accordance with the disclosure set out under the heading "Use of Proceeds" in the Prospectus Supplement;

(h) will promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Agent may reasonably require from time to time for the purpose of giving effect to this Agreement and take all such steps as may be reasonably required within its power to implement to the full extent the provisions, and to satisfy the conditions, of this Agreement;

(i) will on or before the time of filing the Prospectus Supplement provide to the Agent a copy of the conditional listing approval of the Common Shares (including the Common Shares comprising the Units and issuable upon exercise of the Compensation Warrants) and the Warrant Shares on the CSE;

(j) will forthwith notify the Agent of any breach of any covenant of this Agreement or any Ancillary Documents by any party thereto, or upon it becoming aware that any representation or warranty of the Company contained in this Agreement or any Ancillary Document is or has become untrue or inaccurate in any material respect;

(k) will deliver to the Agent, as soon as practicable after the Prospectus and any Supplementary Material are prepared, the U.S. Placement Memorandum, incorporating the Prospectus or Supplementary Material, as the case may be, prepared for use in connection with the distribution of the Units to purchasers in the United States or purchasing for the account or benefit of U.S. Persons in compliance with the provisions of Schedule "B";

(l) will not, at any time prior to the closing of the Offering, halt the trading of the Common Shares on the CSE without the prior written consent of the Agent; and

(m) will make available management of the Company for meetings with investors as scheduled by the Agent at the discretion of the Agent, acting reasonably.

10. Conditions of Closing

The obligations of the Agent hereunder with respect to the Offering will be subject to the completion by the Agent of a due diligence review satisfactory to the Agent in its sole judgment and to the satisfaction (or waiver by the Agent in its sole discretion) of the following additional conditions, as applicable, which conditions the Company covenants to exercise its commercially reasonable efforts to have fulfilled on or prior to the Closing Time or any Option Closing Date, as applicable:

(a) the Agent will receive at the Closing Time a legal opinion addressed to the Agent and its counsel, Fasken Martineau DuMoulin LLP, dated and delivered on the Closing Date from the Company's counsel, McMillan LLP, in form and substance satisfactory to the Agent and its counsel, acting reasonably, with respect to the following matters, subject to such

reasonable assumptions and qualifications customary with respect to transactions of this nature as may be accepted by Agent's counsel:

(i) the Company is a "reporting issuer", or its equivalent, in each of the Qualifying Jurisdictions and it is not listed as in default of Applicable Securities Laws in any of the Qualifying Jurisdictions which maintain such a list;

(ii) the Company is a corporation duly incorporated and validly existing under the BCBCA, and has all requisite corporate power, capacity and authority to carry on its business as now conducted and to own, lease and operate its property and assets as described in the Prospectus and Prospectus Supplement;

(iii) as to the authorized and issued capital of the Company;

(iv) the rights, privileges, restrictions and conditions attaching to the Common Shares, the Warrants and the Warrant Shares are accurately summarized in all material respects in the Prospectus Supplement;

(v) the Common Shares comprising the Units, and, if applicable, Additional Securities, have been duly and validly authorized and issued and are outstanding as fully paid and non-assessable shares in the capital of the Company;

(vi) the Over-Allotment Option has been duly and validly authorized and granted by the Company and the Additional Securities, and their underlying securities, issuable upon the exercise of the Over-Allotment Option have been duly and validly allotted and reserved for issuance by the Company and, upon the exercise of the Over-Allotment Option including receipt by the Company of payment in full therefor, the Common Shares underlying the Additional Securities, will have been duly and validly authorized and issued and will be outstanding as fully-paid and non-assessable shares in the capital of the Company and the Warrants underlying the Additional Securities will have been duly and validly created, authorized and issued by the Company;

(vii) the Compensation Warrants have been duly and validly authorized and granted by the Company and the Common Shares issuable upon the exercise of the Compensation Warrants, have been duly and validly allotted and reserved for issuance by the Company and, upon the exercise of the Compensation Warrants, the Common Shares underlying the Compensation Warrants will have been duly and validly created, authorized and issued by the Company, and the Common Shares underlying the Compensation Warrants will be outstanding as fully-paid and non-assessable shares in the capital of the Company;

(viii) the Warrants have been duly and validly created, authorized and issued by the Company;

(ix) the Warrant Shares have been duly and validly allotted and reserved for issuance and upon the exercise of the Warrants, in accordance with their terms, the Warrant Shares will be duly and validly issued as fully paid and non-assessable Common Shares;

(x) the Company has all necessary corporate power and capacity: (i) to execute and deliver this Agreement and the Warrant Indenture and to perform its obligations hereunder and thereunder; (ii) to offer, issue, sell and deliver the Common Shares and Warrants comprising the Units; (iii) to grant the Over-Allotment Option and offer, issue, sell and deliver the Additional Securities, and their underlying securities, issuable upon exercise of the Over-Allotment Option; (iv) to issue, sell and deliver the Warrant Shares upon the exercise of the Warrants; (v) to grant and issue the Compensation Warrants; and (vi) to offer, issue, sell and deliver the Common Shares comprising the Compensation Warrants;

(xi) all necessary corporate action has been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus, the Prospectus, the Prospectus Supplement and any Supplementary Material and the filing thereof with the Securities Commissions;

(xii) the Company has duly authorized, executed and delivered, this Agreement, the Warrant Indenture, and the certificate representing the Compensation Warrants, and authorized the performance of its obligations hereunder and thereunder, including the offering, creation (as applicable), issue, sale and delivery of the Common Shares and Warrants comprising the Units, the grant of the Over-Allotment Option, the offering, creation (as applicable) issue, sale and delivery of the Additional Securities, and their underlying securities, issuable upon exercise of the Over-Allotment Option, the creation and grant of the Compensation Warrants, the issue, sale and delivery of the Common Shares issuable upon exercise of the Compensation Warrants and the offering, issue, sale and delivery of the Warrant Shares upon the exercise of the Warrants, and each of this Agreement and the Warrant Indenture constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the Qualification;

(xiii) each certificate representing the Compensation Warrants constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the Qualification;

(xiv) the execution and delivery of this Agreement and the Warrant Indenture and the fulfillment of the terms hereof and thereof, including the offering, creation (as applicable), issue, sale and delivery of the Common Shares and the Warrants comprising the Units, the grant of the Over-Allotment Option, the offering, creation (as applicable) issue, sale and delivery of the Additional Securities, and their underlying securities, issuable upon exercise of the Over-Allotment Option, the creation and grant of the Compensation Warrants, the issue, sale and delivery of the Common Shares comprising the Compensation Warrants, and the offering and the issue, sale and delivery of the Warrant Shares upon the exercise of the Warrants, and the consummation of the transactions contemplated by this Agreement and the Warrant Indenture, do not result in a breach of (whether after notice or lapse of time or both) or constitute a default under (i) any of the terms, conditions or provisions of the constating documents, articles or notice of articles of the Company, (ii) of which such counsel is aware, any resolutions of the shareholders or the board of directors (or any committee thereof) of the Company, or (iii) the laws of the Province of British Columbia and the federal laws of Canada applicable therein, or (iv) of which such counsel is aware, any judgement, order or

decree of any Canadian federal, provincial or local government body, agency or court having jurisdiction over the Company;

(xv) the form and terms of the definitive certificate representing the Common Shares, Warrants, and the Compensation Warrants have been approved by the directors of the Company and comply in all material respects with the BCBCA, the constating documents of the Company and the rules of the CSE;

(xvi) TSX Trust Company is the duly appointed registrar and transfer agent for the Common Shares and TSX Trust Company is the duly appointed warrant agent and registrar and transfer agent for the Warrants;

(xvii) all necessary documents have been filed, all requisite proceedings have been taken, all approvals, permits and consents of the appropriate regulatory authority in each Qualifying Jurisdiction have been obtained, and all necessary legal requirements have been fulfilled, in order to qualify the distribution of the Compensation Warrants and to qualify the distribution of the Units and Additional Securities, comprising the Over-Allotment Option, in each of the Qualifying Jurisdictions through dealers who are registered under Applicable Securities Laws and who have complied with the relevant provisions of such Applicable Laws;

(xviii) the issuance by the Company of the Warrant Shares in accordance with and pursuant to the terms and conditions of the Warrants and the Warrant Indenture is exempt from the prospectus requirements of the Applicable Securities Laws in the Qualifying Jurisdictions and no prospectus or other document is required to be filed, no proceeding is required to be taken and no authorization, approval, permit or consent of the Securities Commissions is required to be obtained by the Company under the Applicable Securities Laws in the Qualifying Jurisdictions to permit such issuance of the Warrant Shares;

(xix) as to the issuance of the Common Shares underlying the Compensation Warrants being exempt from the prospectus requirements of Applicable Securities Laws and being freely tradeable;

(xx) the first trade in the Warrant Shares underlying the Warrants, is exempt from the prospectus requirements of the Applicable Securities Laws in the Qualifying Jurisdictions and no prospectus or other document is required to be filed, no proceeding is required to be taken and no approval, permit, consent or authorization of regulatory authorities is required to be obtained by the Company under Applicable Securities Laws of the Qualifying Jurisdictions to permit such trade through registrants registered under Applicable Securities Laws who have complied with such laws and the terms and conditions of their registration, provided that (i) such trade is not a "control distribution" as that term is defined in National Instrument 45-102 – *Resale of Securities* at the time of such trade, (ii) the Company is a reporting issuer (as defined under Applicable Securities Laws) at the time of such first trade, and (iii) such first trade is not a transaction or series of transactions involving a purchase and sale or a repurchase and resale in the course of or incidental to a distribution;

(xxi) as to compliance of the Offering with French language laws of the Province of Québec;

(xxii) subject only to the Standard Listing Conditions, the Common Shares (including the Common Shares comprising the Units and issuable upon exercise of the Compensation Warrants) and the Warrant Shares, have been conditionally listed or approved for listing on the CSE;

(xxiii) that the summary under the heading "Certain Canadian Federal Income Tax Considerations" in the Prospectus Supplement is a fair and adequate summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of the Units, Common Shares, Warrants, and Warrant Shares subject to the qualifications, assumptions, limitations and understandings set out in such summary; and

(xxiv) confirming that the statements under the heading "Eligibility for Investment" in the Prospectus Supplement, subject to the qualifications, assumptions and limitations set out under such heading, constitute a fair and adequate description of status of the Units, Common Shares, Warrants and Warrant Shares as "qualified investments" under the *Income Tax Act* (Canada) and its regulations.

In connection with such opinion, counsel to the Company may rely on the opinions of local counsel in the Qualifying Jurisdictions acceptable to counsel to the Agent, acting reasonably, as to the qualification for distribution of the Units or opinions may be given directly by local counsel of the Company with respect to those items and as to other matters governed by the laws of jurisdictions other than the province or provinces in which the Company's Canadian counsel are qualified to practice and may rely, to the extent appropriate in the circumstances but only as to matters of fact, on certificates of officers of the Company and others;

(b) the Agent shall have received a legal opinion from legal counsel to, and duly qualified to practice law in the jurisdiction of existence of, the Subsidiary, addressed to the Agent and legal counsel to the Agent with respect to: (i) the existence of the Subsidiaries; (ii) the issued and outstanding securities of the Subsidiaries and the securities thereof held by the Company or a Subsidiary; (iii) the corporate power and capacity of the Subsidiaries to carry on its business and activities and to own and lease its property and assets; each such opinion to be in form and substance, acceptable in all reasonable respects to the Agent and its legal counsel;

(c) if any Units are sold to purchasers in the United States or to, or for the account or benefit of, U.S. Persons the Agent will receive, at the Closing Time, a favourable legal opinion dated the Closing Date from United States counsel to the Company, to the effect that no registration of the Units offered and sold to purchasers in the United States or to, or for the account or benefit of, U.S. Persons will be required under the U.S. Securities Act if made in accordance with this Agreement including the attached Schedule "B", such opinion to be in form and substance, acceptable in all reasonable respects to the Agent and its legal counsel, it being understood that such counsel need not express its opinion with respect to any subsequent re-sale of such Units;

(d) the Agent shall have received a certificate dated the Closing Date or the Option Closing Date, as applicable, signed by the Chief Executive Officer and Chief Financial Officer of the Company or any other senior officer(s) of the Company as may be acceptable to the Agent, in form and content satisfactory to the Agent's counsel, acting reasonably, with respect to:

(i) the articles and notice of articles of the Company;

(ii) resolutions of the Company's board of directors relevant to, among other things, the issue and sale of the Units, the Additional Securities and their underlying securities, if applicable, the Common Shares, the Warrants, the Warrant Shares, the Compensation Warrants, and the Common Shares underlying the Compensation Warrants, to be issued and sold by the Company and the authorization of this Agreement and the other agreements and transactions contemplated herein; and

(iii) the incumbency and signatures of signing officers of the Company;

(e) the Agent shall have received a certificate of status or the equivalent dated within one Business Day of the Closing Date, in respect of the Company and the Subsidiaries;

(f) the Company shall deliver "bring down" comfort letters, addressed to the Agent, dated the Closing Date, in form and substance satisfactory to the Agent, bringing forward to a date not more than two Business Days prior to the Closing Date, the information contained in the comfort letters referred to in Section 5(a)(iv) hereof;

(g) the Company shall deliver to the Agent, at the Closing Time, certificates dated the Closing Date or the Option Closing Date, as applicable, addressed to the Agent and signed by the Chief Executive Officer and the Chief Financial Officer of the Company, or such other senior officer(s) of the Company as may be acceptable to the Agent, certifying for and on behalf of the Company and without personal liability, to the effect that:

(i) the Company has complied in all respects with all the covenants and satisfied all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;

(ii) the representations and warranties of the Company contained herein are true and correct as at the Closing Time with the same force and effect as if made on and as at the Closing Time after giving effect to the transactions contemplated hereby;

(iii) the Final Receipt has been issued by the BCSC for the Prospectus pursuant to the Passport System and, to the knowledge of such persons, no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Common Shares or other securities of the Company, or the Units to be issued and sold by the Company has been issued and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened;

(iv) since the respective dates as of which information is given in the Prospectus Supplement or any Supplementary Material (A) there has been no material change in the Company or its Subsidiaries, (B) there has been no material and adverse change (financial or otherwise) in the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, properties, condition (financial or otherwise) or results of operations or control of the Company and the Subsidiaries (taken as a whole), and (C) no transaction has been entered into by or affecting the Company or any Subsidiary which is material

to the Company and the Subsidiaries (taken as a whole), other than as disclosed in the Prospectus Supplement or in any Supplementary Material;

(v) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Prospectus Supplement which fact or change is, or may be, of such a nature as to render any statement in the Prospectus Supplement misleading or untrue in any material respect or which would result in a misrepresentation in the Prospectus Supplement or which would result in the Prospectus Supplement not complying with Applicable Securities Laws; and

(vi) such other matters as the Agent may reasonably request;

(h) the Agent shall have received copies of correspondence indicating that the Company has obtained all necessary approvals for the issuance of the Common Shares, the Common Shares underlying the Compensation Warrants, and/or Additional Securities, and the Warrant Shares to be listed on the CSE, subject only to the Standard Listing Conditions;

(i) the representations and warranties of the Company contained in this Agreement will be true at and as of the Closing Time on the Closing Date, and, if applicable, the Option Closing Date as if such representations and warranties were made at and as of such time and all agreements, covenants and conditions required by this Agreement to be performed, complied with or satisfied by the Company at or prior to the Closing Time on the Closing Date or the Option Closing Date, as applicable, will have been performed, complied with or satisfied prior to that time;

(j) the absence of any misrepresentations in the Offering Documents or undisclosed material change or undisclosed material facts relating to the Company, any Subsidiary or the Units;

(k) the Company shall have received a Preliminary Receipt and the Final Receipt qualifying the Units for distribution in the Qualifying Jurisdictions, and neither the Preliminary Receipt nor the Final Receipt shall be invalid or have been revoked or rescinded by any Securities Commission;

(l) the Agent shall have received a certificate from TSX Trust Company as to the number of Common Shares issued and outstanding as at the date immediately prior to the Closing Date;

(m) the Agent shall have received a copy of the exemption order from the AMF dated January 20, 2021, with respect to the French translation of the Prospectus, the documents incorporated by reference therein, and the Prospectus Supplement;

(n) the Agent shall have received duly executed lock-up agreements from each of the directors and executive officers of the Company in accordance with Section 12; and

(o) the Agent will have received such other certificates, opinions, agreements or closing documents in form and substance reasonably satisfactory to the Agent as the Agent may reasonably request.

11. Closing

The closing of the sale of the Units shall be completed at the Closing Time at the Vancouver office of McMillan LLP or at such other place as the Agent and the Company shall agree upon. At the Closing Time:

(a) the Company will deliver to the Agent, or as the Agent may direct, (i) via electronic deposit or represented by one or more certificates in definitive form, the Units and their underlying components/securities, in each case registered in the name of "CDS & Co." or in such other name or names as the Agent may notify the Company in writing not less than 48 hours prior to the Closing Time or made and settled in CDS under the non-certificated inventory system, (ii) one or more certificates in definitive form representing the Compensation Warrants, in each case registered in such name or names as the Agent shall notify the Company in writing not less than 48 hours prior to the Closing Time, and (iii) all further documentation as may be contemplated in this Agreement or as counsel to the Agent may reasonably require; against payment by the Agent to the Company of the applicable purchase price for the Units and any Additional Securities being issued and sold under this Agreement, net of the Agency Fee and the Agent's expenses contemplated in Section 15 of this Agreement, by certified cheque, bank draft or wire transfer payable to or as directed by the Company not less than 48 hours prior to the Closing Time; and

(b) the obligation of the Agent to complete the sale of any Additional Securities under this Agreement, upon the exercise of the Over-Allotment Option, is subject to the receipt by the Agent of those documents contemplated, and the satisfaction of those conditions set forth, in Section 10 as the Agent may request. In the event that the Company shall subdivide, consolidate, reclassify or otherwise change its Common Shares during the period in which the Over-Allotment Option is exercisable, appropriate adjustments will be made to the exercise price and to the number of the Common Shares and the Warrants comprising the Additional Securities, and any underlying securities issuable on exercise thereof such that the Agent is entitled to arrange for the sale of the same number and type of securities that the Agent would have otherwise arranged for had they exercised such Over-Allotment Option immediately prior to such subdivision, consolidation, reclassification or change.

12. Restrictions on Further Issues or Sales

During the period commencing on the date hereof and ending 90 days after the Closing Date, the Company will not, directly or indirectly, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or enter into any derivative transaction that has the effect of the foregoing, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or enter into any derivative transaction that has the effect of the foregoing, any additional Common Shares, equity securities or debt securities, or any securities convertible into or exchangeable for Common Shares, equity securities or debt securities, except in conjunction with (i) any equity securities which may be issued from time to time as agreed to in employee compensation agreements, (ii) any existing option/warrant obligations, (iii) the grant of stock options or other similar issuances pursuant to the share incentive plan(s) of the Company, (iv) in connection with acquisitions in normal course or other existing obligations, (v) the Offering, (vi) the Company's obligations to Landenberg as described under Section 8(vvv) of this Agreement or (vii) a public offering in the United States pursuant to a Form F-1 registration statement or other applicable registration statement in conjunction with a listing on a national securities exchange provided the pricing of such offering is no less than the Unit Offering Price.

The Company will use its best efforts to cause each of the directors and executive officers of the Company to enter into lock-up agreements in a form appended hereto as Schedule "A" pursuant to which each such person agrees, for a period commencing on the date of the Closing Date and ending 90 days after the Closing Date, not to directly or indirectly, offer, sell, enter into an arrangement to sell, lend, swap, encumber, dispose of or transfer any of the economic consequences of ownership (or announce any intention to do any of the foregoing), of any securities of the Company (or securities convertible or exchangeable into Common Shares), whether now owned directly or indirectly, or under their control or direction, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed provided that the Agent's consent shall not be required in connection with (a) the exercise of previously issued options or other convertible securities, (b) transfers among a shareholder's affiliates for tax or other planning purposes, or (c) a tender or sale by a shareholder of securities of the Company in or pursuant to a take-over bid or similar transaction involving a change of control of the Company.

13. Indemnification by the Company

(a) The Company shall fully indemnify and save harmless the Agent and its affiliates and their respective directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the Agent or its affiliates (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") from and against any and all liabilities, claims (including securityholder actions, derivative or otherwise), actions, losses, costs, damages and expenses (including the aggregate amount paid in settlement of any action, suit, proceeding, investigation or claim) and the reasonable fees and expenses of their counsel (collectively, "**Losses**") that may be incurred in advising with respect to and/or defending any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**" and individually, a "**Claim**") to which any Indemnified Party may become subject or otherwise involved in any capacity insofar as the Losses and/or Claims relate to, are caused by, result from, arise out of, or are in connection with, directly or indirectly:

(i) the breach of any representation or warranty of the Company made in any Ancillary Document or the failure of the Company to comply with any of its obligations in any Ancillary Document or any omission or alleged omission to state in any Ancillary Document any fact required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made;

(ii) any information or statement (except the Agent's Information) in any of the Offering Documents (including, for greater certainty, the Documents Incorporated by Reference and any Subsequent Disclosure Documents) containing or being alleged to contain a misrepresentation or being or being alleged to be untrue, or based upon any omission or alleged omission to state in any of the Offering Documents any material fact required to be stated in those documents or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made;

(iii) any order made or any inquiry, investigation or proceeding instituted, threatened or announced by any court, securities regulatory authority, stock exchange or by any other competent authority, based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation (except a statement, omission or misrepresentation relating solely to the Agent's

Information) contained in any of the Offering Documents or any other document or material filed or delivered on behalf of the Company pursuant to this Agreement, preventing or restricting the trading in or the sale or distribution of the Units, the Common Shares, the Warrants, the Warrant Shares, the Compensation Warrants, or any other securities of the Company;

(iv) the non-compliance by the Company with any Applicable Securities Laws or other regulatory requirements or the rules of the CSE including the Company's non-compliance with any statutory requirement to make any document available for inspection;

(v) any statement contained in the Disclosure Record which at the time and in the light of the circumstances under which it was made, contained or is alleged to have contained a misrepresentation or untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances in which they were made;

(vi) the omission or alleged omission to state in this Agreement any fact required to be stated herein or necessary to make any statement herein not misleading in light of the circumstances under which it was made;

(vii) any misrepresentation or alleged misrepresentation by or on behalf of the Company (other than by the Agent and Selling Firms) relating to the Offering, whether oral or written and whether made during and in connection with the Offering, where such misrepresentation may give or gives rise to any other liability under any statute in any jurisdiction which is in force on the date of this Agreement;

(viii) any failure or alleged failure to make timely disclosure of a material change by the Company, where such failure or alleged failure occurs during the Offering or during the period of distribution of the Units or where such failure relates to the Offering or the Units, and may give or gives rise to any liability under any statute in any jurisdiction which is in force on the date of this Agreement; or

(ix) any breach of any representation or warranty of the Company contained herein or the failure of the Company to comply with any of its covenants or other obligations contained herein or to satisfy any conditions contained herein required to be satisfied by the Company.

(b) If any Claim contemplated by this Section 13 shall be asserted against any of the Indemnified Parties, or if any potential Claim contemplated by this Section 13 shall come to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned shall promptly notify in writing the Company of the nature of such Claim (provided that any failure to so notify in respect of any Claim or potential Claim shall affect the liability of the Company under this Section 13 only if and to the extent that the Company is materially and adversely prejudiced by such failure). The Company shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any such Claim; provided that the defence shall be through legal counsel selected by the Company and acceptable to the Indemnified Party, acting reasonably. An Indemnified Party shall have the right to employ separate counsel in any such Claim and participate in the

defence thereof but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless:

(i) the Company fails to assume the defence of such Claim on behalf of the Indemnified Party within ten days of receiving notice of such suit;

(ii) the employment of such counsel has been authorized by the Company; or

(iii) the named parties to any such Claim (including any added or third parties) include the Indemnified Party and the Company and the Indemnified Party shall have been advised by counsel that representation of the Indemnified Party by counsel for the Company is inappropriate as a result of the potential or actual conflicting interests of those represented or that there may be legal defences available to the Indemnified Party or Indemnified Parties which are different from or in addition to those available to the Company or that the subject matter of the Claim may not fall within the foregoing indemnity or that there is a conflict of interest between the Company and the Indemnified Parties;

in which case, the Company shall not have the right to assume the defence of such Claim on behalf of the Indemnified Party and the Company shall be liable to pay the reasonable fees and disbursements of counsel for such Indemnified Parties as well as the reasonable costs and out-of-pocket expenses of the Indemnified Party (including an amount to reimburse the Agent at its normal per diem rates for time spent by its directors, officers, employees or shareholders). Notwithstanding anything set forth herein, in no event shall the Company be liable for the fees or disbursements of more than one firm of legal counsel to an Indemnified Party in a particular jurisdiction in respect of any particular Claim or related set of Claims.

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

(c) The Company hereby acknowledges and agrees that, with respect to Sections 13 and 14 hereof, the Agent is contracting on its own behalf and as agent for its affiliates, and its and their respective directors, officers, employees, partners, shareholders, advisors, agents and each other person, if any, controlling the Agent or its affiliates (collectively, the "**Beneficiaries**"). In this regard, the Agent shall act as trustee for the Beneficiaries of the covenants of the Company under Sections 13 and 14 hereof with respect to the Beneficiaries and accepts these trusts and shall hold and enforce such covenants on behalf of the Beneficiaries.

(d) The Company hereby waives any right it may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity. The Company also agrees that

no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any person asserting Claims on behalf of or in right of the Company for or in connection with the Offering except to the extent any Losses suffered by the Company are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted from the gross negligence, fraud, illegal act or wilful misconduct of such Indemnified Party.

(e) Notwithstanding anything to the contrary contained herein, the foregoing indemnity in this Section 13 shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that such Losses to which the Indemnified Party may be subject were caused solely by the gross negligence, fraud, illegal act or wilful misconduct of the Indemnified Party. For greater certainty, the Company and the Agent agree that they do not intend that any failure by the Agent to conduct such reasonable investigation as necessary to provide the Agent with reasonable grounds for believing the Offering Documents contained no misrepresentation shall constitute "gross negligence", "fraud" or "illegal act" or "wilful misconduct" for purposes of this Section 13 or otherwise disentitle the Agent from indemnification hereunder.

(f) The Company agrees that in case any legal proceeding shall be brought against the Company and/or the Agent by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or if any such commission or authority shall investigate the Company and/or the Indemnified Parties and any Indemnified Parties shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Company by the Agent, the Indemnified Parties shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by the Indemnified Parties in connection therewith) and out-of-pocket expenses incurred by Indemnified Parties in connection therewith shall be paid by the Company as they occur. The Company agrees to reimburse the Agent for the time spent by their personnel in connection with any Claim at their normal per diem rates.

(g) The rights to indemnification provided in this Section 13 shall be in addition to and not in derogation of any other rights which the Agent may have by statute or otherwise at law.

14. Contribution

(a) In order to provide for just and equitable contribution in circumstances in which the indemnity provided in Section 13 hereof would otherwise be available in accordance with its terms but is, for any reason held to be illegal, unavailable to or unenforceable by the Indemnified Parties or enforceable otherwise than in accordance with its terms, the Company and the Agent shall contribute to the aggregate of all Losses of the nature contemplated in Section 13 hereof and suffered or incurred by the Indemnified Parties (i) in such proportion as is appropriate to reflect not only the relative benefits received by the Company, on the one hand, and the Agent on the other hand, from the distribution of the Units, or (ii) if the allocation provided by (i) is not permitted by Applicable Law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company, on the one hand, and the Agent, on the other hand, in respect of such Losses; provided that the Company shall in any event contribute to the amount paid or payable by the Indemnified Parties as a result of such Claim any excess

of such amount over the amount actually received by the Agent or any other Indemnified Party under this Agreement and further provided that the Agent shall not in any event be liable to contribute, in the aggregate, any amount in excess of such total Agency Fee or any portion thereof actually received by the Agent. However, no party who has engaged in any fraud, fraudulent misrepresentation or wilful misconduct shall be entitled to claim contribution from any person who has not engaged in such fraud, fraudulent misrepresentation or wilful misconduct.

(b) The relative benefits received by the Company, on the one hand, and the Agent, on the other hand, shall be deemed to be in the same ratio as the total proceeds from the Offering of the Units (net of the Agency Fee payable to the Agent but before deducting expenses) received by the Company is to the Agency Fee actually received by the Agent. The relative fault of the Company, on the one hand, and of the Agent, on the other hand, shall be determined by reference to, among other things, whether the matters or things referred to in Section 13 which resulted in such Claims and/or Losses relate to information supplied by or steps or actions taken or done or not taken or not done by or on behalf of the Company or to information supplied by or steps or actions taken or done or not taken or not done by or on behalf of the Agent and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing referred to in Section 13. The amount paid or payable by an Indemnified Party as a result of the Claims and/or Losses referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claims and/or Losses, whether or not resulting in an action, suit, proceeding or claim. The parties to this Agreement agree that it would not be just and equitable if contribution pursuant to this Section 14 were determined by any method of allocation which does not take into account the equitable considerations referred to in this Section 14.

(c) If the Company may be held to be entitled to contribution from the Agent under the provisions of any statute or at law, the Company shall be limited to contribution in an aggregate amount not exceeding the lesser of:

(i) the portion of the full amount of the Losses giving rise to such contribution for which the Agent is responsible, as determined in Section 13(a); and

(ii) the amount of the aggregate Agency Fee actually received by the Agent from the Company under this Agreement.

(d) The rights to contribution provided in this Section 14 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law.

(e) If an Indemnified Party has reason to believe that a claim for contribution may arise, the Indemnified Party shall give the Company notice thereof in writing, but failure to so notify shall not relieve the Company of any obligation which it may have to the Indemnified Party under this Section 14 provided that the Company is not materially and adversely prejudiced by such failure, and the right of the Company to assume the defence of such Indemnified Party shall apply as set out in Section 13 hereof, *mutatis mutandis*.

15. Fees and Expenses

Whether or not the sale of the Units shall be completed, all fees and expenses (including GST or HST, if applicable) of or incidental to the creation, issuance and delivery of the Units and of or incidental to all matters in connection with the transactions herein set out shall be borne by the Company including, without limitation:

(a) all expenses of or incidental to the creation, issue, sale or distribution of the Units and the filing of the Preliminary Prospectus, the Prospectus, the Prospectus Supplement and any Supplementary Material;

(b) the fees and expenses of the auditors, counsel to the Company and all local counsel (including disbursements and GST or HST, if and as applicable, on all of the foregoing);

(c) all costs incurred in connection with the preparation and printing of the Preliminary Prospectus, the Prospectus, the Prospectus Supplement and any Supplementary Material contemplated hereunder and otherwise relating to the Offering; and

(d) the reasonable out-of-pocket expenses and fees of the Agent, including the reasonable fees and expenses of the Agent's Canadian counsel (subject to a maximum amount of $100,000 plus taxes and disbursements) and United States counsel (subject to a maximum of $15,000 plus taxes and disbursements), with such expenses to be paid by the Company at the Closing Time or at any other time requested by the Agent, provided that all fees and expenses incurred by the Agent, or on its behalf, pursuant to the Offering shall be payable by the Company immediately upon receiving an invoice therefor from the Agent.

16. All Terms to be Conditions

The Company agrees that the conditions contained in Section 10 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and that it will use its commercially reasonable efforts to cause all such conditions to be complied with. Any breach or failure to comply with or satisfy any of the conditions set out in Section 10 shall entitle the Agent to terminate its obligation to sell the Units, by written notice to that effect given to the Company at or prior to the Closing Time.

17. Termination by Agent in Certain Events

(a) The Agent shall also be entitled to terminate its obligations under this by written notice to that effect given to the Company at or prior to the Closing Time if:

   (i) any order, action or proceeding which cease trades, suspends or otherwise operates to prevent, prohibit or restrict the distribution or trading of the Common Shares or any other securities of the Company, including the Units, is made or proceedings are announced, commenced or threatened for the making of any such order, action or proceeding by a securities regulatory authority, the CSE or any other competent authority, and has not been rescinded, revoked, or withdrawn;

   (ii) there should occur any material change, change of a material fact, occurrence, event, fact or circumstance or any development or a new material fact shall arise which has or would be expected to have, in the sole opinion of the Agent, acting reasonably and in good faith, a material adverse effect on the business, operations,

affairs or financial condition of the Company or its Subsidiaries, taken as a whole, or on the market price, value or marketability of the securities of the Company;

(iii) any inquiry, action, suit, investigation or other proceeding, whether formal or informal (including matters of regulatory transgression or unlawful conduct), is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the CSE or any other recognized securities exchange or any securities regulatory authority or any law or regulation is enacted or changed which in the sole opinion of the Agent, acting reasonably, would cease trading in the Company's securities or, in the opinion of the Agent, acting reasonably and in good faith, operates to prevent or restrict materially the trading or distribution of the securities of the Company or materially adversely affects or will materially adversely affect the market price, value or marketability of the securities of the Company;

(iv) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including any natural catastrophe) or any outbreak or escalation of national or international hostilities or any crisis or calamity or act of terrorism or similar event or any governmental action, change of applicable law or regulation (or the interpretation or administration thereof), inquiry or other occurrence of any nature whatsoever, including by a result of the novel coronavirus (COVID-19) pandemic only to the extent that there are material adverse impacts related thereto after May 27, 2022, which, in each case, in the sole opinion of the Agent, imminently seriously adversely affects, or involves, or might reasonably be expected to imminently seriously adversely affect, or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company and its Subsidiaries (taken as a whole);

(v) the state of the financial markets, whether national or international, is such that, in the reasonable opinion of the Agent, the Units cannot be profitably marketed or it would be impractical for the Agent to offer or to continue to offer the Units for sale;

(vi) the Company is in breach of any material term, condition or covenant of the Letter Agreement or this Agreement, or any representation or warranty given by the Company in the Letter Agreement or this Agreement becomes or is false in any material respect and cannot be cured;

(vii) the Agent shall become aware, as a result of its due diligence review or otherwise, of any adverse material change or adverse material fact with respect to the Company (in the sole opinion of the Agent, acting reasonably) which had not been publicly disclosed or disclosed to the Agent prior to the date of the Letter Agreement and which would reasonably be expected to have a material adverse effect on the market price or value of the securities of the Company or the Units; or

(viii) the Agent and the Company agree in writing to terminate this Agreement in relation to the Agent.

(b) If this Agreement is terminated by the Agent pursuant to Section 17(a), there shall be no further liability on the part of the Agent, or on the part of the Company to the Agent except in respect of any liability which may have arisen or may thereafter arise under Sections 13, 14 and 15.

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

18. Over-Allotment

In connection with the distribution of the Units, the Agent and members of its selling group (if any) may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares and Warrants at levels above those which might otherwise prevail in the open market, in compliance with Applicable Securities Laws. Those stabilizing transactions, if any, may be discontinued at any time.

19. Notices

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

in the case of the Company, to:

Algernon Pharmaceuticals Inc.
400 – 601 West Broadway
Vancouver, BC
V5Z 4C2

Email: chris@algernonpharmaceuticals.com
Attention: Christopher Moreau, Chief Executive Officer

with a copy of any such notice (which shall not constitute notice to the Company) to:

McMillan LLP
Royal Centre, Suite 1500
1055 West Georgia Street, PO Box 11117
Vancouver, British Columbia, V6E 4N7

Email: barbara.collins@mcmillan.ca
Attention: Barbara Collins

in the case of the Agent, to:

Research Capital Corporation
199 Bay Street, Suite 4500
Commerce Court West, Box 368
Toronto, Ontario M5L 1G2

Email: dkeating@researchcapital.com
Attention: David Keating

and with a copy of any such notice (which shall not constitute notice to the Agent) to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, Ontario M5H 2T6

Email: jsabetti@fasken.com
Attention: John M. Sabetti

The Company and the Agent may change their respective addresses for notice by notice given in the manner aforesaid. Each notice shall be personally delivered to the addressee or sent by electronic transmission to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by electronic transmission shall be deemed to be given and received on the Business Day on which it is confirmed to have been sent.

20. Right of First Refusal

Provided that there is a Closing of the Offering, to the extent that within the 12-month period thereafter, the Company requires any of the following additional services, the Agent is hereby granted a right of first refusal (the "**Right of First Refusal**") to provide such services as referenced below, the terms and conditions relating to such services to be outlined in a separate agreement and the fees for such services to be in addition to fees payable hereunder:

i. lead underwriter or lead agent and sole book-runner for any equity, debt or equity-linked debt financing undertaken by the Company in Canada (for greater certainty, if any such financing is being undertaken outside of Canada, the portion of such financing, if any, that is being undertaken in Canada);

ii. the provision of a formal valuation or fairness opinion; and

iii. any financial advisory assistance, whether in respect of any acquisition, divestiture or business combination proposal, or otherwise.

Any such agreement will be negotiated separately and in good faith and be consistent with then prevailing industry practice.

The Right of First Refusal may be exercised by the Agent within six (6) business days following the receipt of the written notice from the Company by notifying the Company, in writing, that it will exercise the Right of First Refusal on the terms set out in the written notice to the Agent.

If the Agent fails to give the written notice contemplated by this Section 20 to the Company within the requisite six (6) business day period or if the Company and the Agent are unable to agree to the terms of the services to be provided, the Company will then be free, for a period of fifteen (15) days thereafter to make other arrangements to obtain the required services from another source on the same terms without any further obligation to the Agent under this Section 20 in respect of such services; provided that if the Company is unable to do so within such fifteen (15) day period, or if the terms are changed, then this Section 20 shall once again apply.

21. Relationship between the Company and the Agent

In connection with the services described herein, the Agent shall act as independent contractor, and any duties of the Agent arising out of this Agreement shall be owed solely to the Company. The Company 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 Company and that the Agent shall have no obligation to disclose such activities and services to the Company. The Company acknowledges and agrees that in connection with all aspects of the engagement contemplated hereby, and any communications in connection therewith, the Company, on the one hand, and the Agent and any of 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 he deemed to have arisen in connection with any such transactions or communications. The Company acknowledges and agrees that it waives, to the fullest extent permitted by law, any claims the Company and its affiliates may have against the Agent for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Agent shall have no liability (whether direct or indirect) to the Company or any of its affiliates in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company. 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 he taken into account in determining any of the responsibilities of the Agent to the Company under this Agreement.

22. Miscellaneous

(a) This Agreement shall enure to the benefit of, and shall be binding upon, the Agent and the Company and their respective successors and legal representatives, provided that no party may assign this Agreement or any rights or obligations under this Agreement, in whole or in part, without the prior written consent of the other party.

(b) This Agreement, including all schedules to this Agreement, constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties with respect to such subject matter. This Agreement may only be amended, supplemented, or otherwise modified by written agreement signed by all of the parties.

(c) The Company acknowledges and agrees that: (i) the Offering contemplated by this Agreement is an arm's length commercial transaction between the Company, on the one hand, and the Agent, on the other; (ii) in connection therewith and with the process leading to such transaction the Agent is acting solely as a principal and not the agent or fiduciary of the Company; (iii) the Agent has not assumed an advisory or fiduciary responsibility in favour of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether the Agent has advised or is concurrently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement; and (iv) the Company has consulted its own legal and financial advisors to the extent they deemed appropriate. The Company agrees that it will not claim that the Agent, or any of them, has rendered advisory services

of any nature or respect, or owes a fiduciary or similar duty to the Company in connection with such transaction or the process leading thereto.

(d) The Company acknowledges and agrees that all written and oral opinions, advice, analyses and materials provided by the Agent in connection with this Agreement and their engagement hereunder are intended solely for the Company's benefit and the Company's internal use only with respect to the Offering and the Company 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 Agreement.

(e) The Company acknowledges that the Agent is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and financial advisory services and that in the ordinary course of its trading and brokerage activities, the Agent and/or any of its affiliates at any time may hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities of the Company or any other company that may be involved in a transaction or related derivative securities.

(f) Neither the Company nor the Agent shall make any public announcement in connection with the Offering, except if the other party has consented to such announcement or the announcement is required by applicable laws or stock exchange rules. In such event, the party proposing to make the announcement will provide the other party with a reasonable opportunity, in the circumstances, to review a draft of the proposed announcement and to provide comments thereon.

(g) No waiver of any provision of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the party to be bound by the waiver. A party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a party from any other or further exercise of that right or the exercise of any other right it may have.

(h) If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

(i) This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the parties submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

(j) Time shall be of the essence hereof and, following any waiver or indulgence by any party, time shall again be of the essence hereof.

(k) The words, “hereunder”, “hereof” and similar phrases mean and refer to the Agreement formed as a result of the acceptance by the Company of this offer by the Agent to offer and sell on a commercially reasonable “best efforts” basis the Units.

(l) All warranties, representations, covenants (including indemnification obligations) and agreements of the Company herein contained or contained in any Ancillary Document shall survive the offer and sale by the Agent of the Units and shall continue in full force and effect for the benefit of the Agent regardless of the Closing of the sale of the Units, any subsequent disposition of the Units by the purchasers thereof or the termination of the Agent’s obligations under this Agreement and shall not be limited or prejudiced by any investigation made by or on behalf of the Agent in accordance with the preparation of the Preliminary Prospectus, the Prospectus, the Prospectus Supplement or any Supplementary Material or the distribution of the Units or otherwise, and the Company agrees that the Agent shall not be presumed to know of the existence of a claim against the Company under this Agreement or any Ancillary Document or in connection with the offer and sale of the Units as a result of any investigation made by or on behalf of the Agent in accordance with the preparation of the Preliminary Prospectus, the Prospectus, the Prospectus Supplement or any Supplementary Material or the distribution of the Units or otherwise.

(m) Each of the parties hereto shall be entitled to rely on delivery of a facsimile or portable document format copy of this Agreement and acceptance by each such party of any such facsimile or portable document format copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

(n) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

[*remainder of page intentionally left blank*]

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

Yours very truly,

RESEARCH CAPITAL CORPORATION

"David Keating"

By: ____
Name: David Keating
Title: Managing Director, Head of Equity Capital Markets, Co-Head Capital Markets

Accepted and agreed to by the undersigned as of the date of this letter first written above.

ALGERNON PHARMACEUTICALS INC.

"Christopher Moreau"

By: ______________________________
Name: Christopher Moreau
Title: Chief Executive Officer

SCHEDULE “A”

Research Capital Corporation
199 Bay Street, Suite 4500
Commerce Court West, Box 368
Toronto, Ontario M5L 1G2

Re: Offering of Units of Algernon Pharmaceuticals Inc.

Ladies & Gentlemen:

Reference is made to an agency agreement dated June 28, 2022 (the “**Agency Agreement**”) among Research Capital Corporation (the “**Agent**”) and Algernon Pharmaceuticals Inc. (the “**Company**”), relating to the sale, on an commercially reasonable “best efforts” basis, of up to 533,333 units (“**Units**”) in the capital of the Company, at a purchase price of $3.75 per Unit in the capital of the Company, for aggregate gross proceeds of up to approximately $2,000,000 (the “**Offering**”).

The undersigned is an executive officer or director of the Company who holds Class A common shares (“**Common Shares**”) or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other securities of the Company (collectively, the “**Locked-Up Securities**”) and, accordingly, recognizes that the Offering will benefit the Company. The undersigned has good and marketable title to the Locked-Up Securities and acknowledges that the Agent is relying on the representations and agreements of the undersigned contained in this Lock-Up Agreement in carrying out and completing the Offering.

In consideration of the foregoing, the undersigned hereby agrees that during the period commencing on June 28, 2022 and ending ninety (90) days after the date of closing of the Offering (the “**Lock-Up Period**”), the undersigned will not, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap, or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, or announce any intention to do any of the foregoing, any Locked-Up Securities, directly or indirectly, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, provided that the Agent’s consent shall not be required in connection with (a) the exercise of previously issued options or other convertible securities, (b) transfers among a shareholder’s affiliates for tax or other planning purposes, or (c) a tender or sale by a shareholder of securities of the Company in or pursuant to a take-over bid or similar transaction involving a change of control of the Company.

This Lock-Up Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. This Lock-Up Agreement shall not be assigned by the undersigned without the prior written consent of the Agent. This Lock-Up Agreement is irrevocable and will be binding on the undersigned and its respective successors, heirs, personal or legal representatives and permitted assigns.

(signature page to follow)

DATED this _______ day of ______________________, 2022.

NAME OF SECURITYHOLDER:

____

____
(Signature of Securityholder)

____
(Signature of Witness)

Number and type of securities of the
Company subject to this lock-up agreement:

____

SCHEDULE "B"

TERMS AND CONDITIONS FOR UNITED STATES OFFERS AND SALES

As used in this schedule, the following terms shall have the meanings indicated:

Accredited Investor	means an "accredited investor" as specified in Rule 501(a) of Regulation D;
Affiliate	means an "affiliate" as that term is defined in Rule 405 under the U.S. Securities Act;
Dealer Covered Person	has the meaning set forth below;
Directed Selling Efforts	means "directed selling efforts" as that term is defined in Rule 902 (c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Units, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of the securities;
Disqualification Event	has the meaning set forth below;
Foreign Private Issuer	means a "foreign private issuer" as that term is defined in Rule 405 Under the U.S. Securities Act. Without limiting the foregoing, but for greater clarity in this Schedule, it means any issuer which is: (a) the government of any foreign country or of any political subdivision of a foreign country; or (b) a corporation or other organization incorporated under the laws of any foreign country, except an issuer meeting the following conditions as of the last Business Day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are held of record either directly or indirectly by residents of the United States; and (2) any of the following; (i) the majority of the executive officers or directors of the issuer are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;
General Solicitation or General Advertising	means "general solicitation or general advertising", as used in Rule 502(c) of Regulation D under the U.S. Securities Act, including any advertisement, article, notice or other communication published in any newspaper, magazine, on the internet or similar media or broadcast over radio or television or on the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

Offshore Transaction	means "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;
Regulation D	means Regulation D adopted by the SEC under the U.S. Securities Act;
Regulation S	means Regulation S adopted by the SEC under the U.S. Securities Act;
Rule 144A	means Rule 144A adopted by the SEC under the U.S. Securities Act;
QIB Letter	has the meaning set forth below;
Qualified Institutional Buyer	means a "qualified institutional buyer" as that term is defined in Rule 144A under the U.S. Securities Act;
SEC	means the United States Securities and Exchange Commission;
Substantial U.S. Market Interest	means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S;
United States	means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
U.S. Accredited Investor Certificate	has the meaning set forth below;
U.S. Affiliate	means a United States registered broker-dealer affiliate of an Agent;
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;
U.S. Placement Memorandum	means the U.S. private placement memorandum, including a copy of the English language version of the Prospectus or Supplementary Material, prepared by the Company in connection with the offer and sale of the Units in the United States or to, or for the account or benefit of, U.S. Persons; and
U.S. Subscription Agreement	means the subscription agreement attached as Exhibit I to the U.S. Placement Memorandum.

All capitalized terms used herein without definition have the meanings ascribed thereto in the Agency Agreement to which this Schedule "B" is attached.

Representations, Warranties and Covenants of the Agent

Each Agent, on its own behalf and on behalf of its U.S. Affiliate, acknowledges that the Units have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. Person, except pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(c) of Regulation D and any

applicable state securities laws. Accordingly, each of the Agent, on its own behalf and on behalf of its U.S. Affiliate, represents, warrants, covenants and agrees to and with the Company as of the date hereof and the Closing Date (and the Option Closing Date, if applicable) that:

1. It has offered and sold, and will offer and sell the Units forming part of its allotment (a) only in Offshore Transactions in accordance with Rule 903 of Regulation S or (b) in accordance with paragraphs 2 through 15 below. Accordingly, neither the Agent, its U.S. Affiliate, nor any persons acting on its or their behalf, has made or will make (except as permitted in paragraphs 2 through 15 below): (i) any offer to sell or any solicitation of an offer to buy, any Units in the United States or to, or for the account or benefit of, U.S. Persons; (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, or the Agent, its U.S. Affiliate or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person; or (iii) any Directed Selling Efforts in the United States with respect to the Units.

2. It will not offer or sell the Units in the United States or to, or for the account or benefit of, U.S. Persons, except that it may offer and sell the Units to Accredited Investors or Accredited Investors that also qualify as a Qualified Institutional Buyer, with whom the Agent, or its U.S. Affiliate, has a pre-existing relationship with such Accredited Investor or Qualified Institutional Buyer prior to October 20, 2021. It shall inform, or cause its U.S. Affiliate to inform, each Accredited Investor or Qualified Institutional Buyer that the Units are being sold to it in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(c) of Regulation D and any applicable state securities laws.

3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with its U.S. Affiliate, any Selling Firms or with the prior written consent of the Company. It shall require each Selling Firm to agree in writing, for the benefit of the Company to comply with, and shall use its best efforts to ensure that each Selling Firm complies with, the same provisions of this Schedule “B” as apply to such Agent as if such provisions applied to such Selling Firm.

4. All offers of Units to Accredited Investors or Qualified Institutional Buyers have been and will be made by the Agent's U.S. Affiliate and all sales of the Units to Accredited Investors or Qualified Institutional Buyers shall be and will be made by the Agent’s U.S. Affiliate in compliance with Rule 506(c) of Regulation D and any applicable state securities laws.

5. It and its Affiliates have not, either directly or through a person acting on its or their behalf, solicited and will not solicit offers to buy, and have not offered to sell and will not offer to sell, Units in the United States by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

6. It and its U.S. Affiliate are Qualified Institutional Buyers, and all offers and sales of Units have been or will be made in the United States or to, or for the account or benefit of, U.S. Persons in accordance with any applicable U.S. federal or state laws or regulations governing the registration or conduct of securities brokers or dealers and applicable rules of the Financial Industry Regulatory Authority, Inc. Each U.S. Affiliate that makes offers and sales in the United States or to, or for the account or benefit of, U.S. Persons is on the date hereof, and will be on the date of each offer and sale of Units in the United States or to, or for the account or benefit of, U.S. Persons, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-

dealer registration requirements) and a member in good standing with the Financial Industry Regulatory Authority, Inc.

7. Immediately prior to making an offer of the Units in the United States or to, or for the account or benefit of, U.S. Persons, the Agent and its U.S. Affiliate had reasonable grounds to believe and did believe that each such offeree was an Accredited Investor or a Qualified Institutional Buyer. At the time of each sale of Units and Additional Securities, if any, to a person in the United States or to, or for the account or benefit of, a U.S. Person, the Agent, its U.S. Affiliate, and any person acting on its or their behalf will have reasonable grounds to believe and will believe, that each such purchaser is an Accredited Investor or a Qualified Institutional Buyer.

8. Each offeree of Units in the United States, or that is purchasing for the account or benefit of a U.S. Person, shall be provided with a copy of the U.S. Placement Memorandum. Each purchaser of Units in the United States, or that is purchasing for the account or benefit of a U.S. Person, shall be provided, prior to time of purchase of any Units, with a copy of the U.S. Placement Memorandum and (i) each such purchaser that is an Accredited Investor will be required to complete and execute a U.S. Subscription Agreement and a U.S. Accredited Investor Certificate in the form annexed as Schedule “A” to the U.S. Subscription Agreement (the “**U.S. Accredited Investor Certificate**”), or (ii) each such purchase that is a Qualified Institutional Buyer will be required to execute the Qualified Institutional Buyer Letter in the form attached as Exhibit II to the U.S. Placement Memorandum (the “**QIB Letter**”).

9. At least one Business Day prior to the Closing Date, the Company and its transfer agent will be provided with a list of all purchasers of the Units in the United States or that are purchasing for the account or benefit of a U.S. Person. Prior to the Closing Date, the Agent will provide the Company with copies of all U.S. Subscription Agreements (including, as applicable, all U.S. Accredited Investor Certificates and QIB Letters), duly executed by such purchasers for acceptance by the Company.

10. At the Closing, and any closing in connection with the Over-Allotment Option, each Agent (together with its U.S. Affiliate) that participated in the offer of Units in the United States or to, or for the account or benefit of, a U.S. Person, will either: (i) provide a certificate, substantially in the form of Exhibit A to this Schedule “B”, relating to the manner of the offer and sale of the Units in the United States or to, or for the account or benefit of, a U.S. Person, or (ii) be deemed to have represented and warranted that neither it, its Affiliates nor any one acting on its or their behalf, has offered or sold any Units in the United States or to, or for the account or benefit of, a U.S. Person.

11. Neither the Agent, its U.S. Affiliate or any person acting on its behalf (other than the Company, its Affiliates and any person acting on their behalf, as to which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units.

12. As of the Closing Date, and any closing in connection with the Over-Allotment Option, with respect to offered Units, the Agent represents that none of (i) the Agent or any Selling Firm, (ii) the Agent or any Selling Firm’s general partners or managing members, (iii) any of the Agent's or the Selling Firm’s directors, executive officers or other officers participating in the Offering of the Units, (iv) any of the Agent's or the Selling Firm’s general partners’ or managing members’ directors, executive officers or other officers participating in the offering of the Units, or (v) any other person associated with any of the above persons that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of the Units (each, a “**Dealer**

Covered Person" and, collectively, the "**Dealer Covered Persons**"), is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1) under Regulation D (a "**Disqualification Event**").

13. It acknowledges that until one year after the latter of the Closing Date or an Option Closing Date, an offer or sale of the Units within the United States or to, or for the account or benefit of, a U.S. Person by any dealer (whether or not participating in this offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.

14. It is acquiring the Compensation Warrants and the Common Shares issuable upon exercise of the Compensation Warrants (together, the "**Compensation Securities**") as principal for its own account and not for the benefit of any other person. Furthermore, in connection with the issuance of the Compensation Securities, the Agent: (i) is not a U.S. Person and it is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States; and (ii) this Agreement was executed and delivered outside the United States. The Agent agrees that it will not engage in any Directed Selling Efforts with respect to any Compensation Securities and that it will not engage in hedging transactions involving such securities unless such transactions are in compliance with the provisions of the U.S. Securities Act and in each case only in accordance with applicable state securities laws.

15. It acknowledges that except as permitted pursuant to this Schedule "B," it will not offer or sell the Units or the Compensation Securities within the United States or to, or for the account or benefit of, U.S. Persons: (i) as part of its distribution at any time or (ii) otherwise until a one-year distribution compliance period after the later of the commencement of the Offering and the Closing Date or an Option Closing Date (as applicable) (the "**Distribution Compliance Period**"). It further acknowledges, agrees and covenants that all offers and sales of the Units and the Compensation Securities during the Distribution Compliance Period will only be made pursuant to the following conditions:

    a. in compliance with Rule 903 of Regulation S to non-U.S. Persons who are not acquiring the Units for the account or benefit of any U.S. Person, who agree to resell such securities only in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration thereunder, and who agree not to engage in hedging transactions with regard to such securities unless in compliance with the U.S. Securities Act; or

    b. to a U.S. Person in a transaction not requiring registration under the U.S. Securities Act; and

    c. each distributor (as defined in Regulation S) selling securities to a distributor, a dealer (as defined in Section 2(a)(12) of the U.S. Securities Act), or a person who is receiving a selling concession, fee or other remuneration in respect of the Units (if any), to which it sells Units during the Distribution Compliance Period, will send to the purchaser a confirmation or other notice stating that the purchaser is subject to the same restrictions on offers and sales that apply to a distributor.

Representations, Warranties and Covenants of the Company

The Company represents, warrants, and covenants to, and agrees with, the Agent and the U.S. Affiliates as of the date hereof and the Closing Date (and the Option Closing Date, if applicable) that:

1. The Company is, and at the Closing will be, a Foreign Private Issuer.

2. The Company has determined that it has a "substantial U.S. market interest" in its equity securities, as such term is defined in Rule 902(j) of Regulation S under the U.S. Securities Act, and represents, warrants, covenants and acknowledges that:

    a. neither the Company nor any of its "affiliates" (as such term is defined in Rule 405 under the U.S. Securities Act), nor any person acting on its or their behalf (other than the Agent or any Selling Firms or any person acting on their behalf, in respect of which no representation is made), has made or will make: (A) any offer to sell, or any solicitation of any offer to buy, any Units to a person in the United States; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchase is (1) outside the United States or (2) the Company, its "affiliates", and any person acting on their behalf reasonably believe that the purchase is outside the United States;

    b. the Company will refuse to register any transfer of Units, Warrants, Warrant Shares or Compensation Securities not made in accordance with the provisions of Regulation S, pursuant to registration under the U.S. Securities Act, or pursuant to an available exemption from registration under the U.S. Securities Act; and

    c. no Affiliate of the Company will be permitted to participate in the Offering.

3. The Company is not, and after giving effect to the Offering and the application of the proceeds as contemplated hereby, will not be, required to register as an "investment company" as such term is defined under the Investment Company Act of 1940, as amended.

4. Except with respect to offers and sales in accordance with this Schedule "B" to Accredited Investors and Qualified Institutional Buyers in reliance upon the exemption from registration requirements under the U.S. Securities Act provided by Rule 506(c) of Regulation D, neither the Company nor any of its Affiliates, nor any person acting on its or their behalf (other than the Agent, its respective U.S. Affiliates or any person acting on their behalf, in respect of which no representation is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Units to a person in the United States; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States or (ii) the Company, its Affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.

5. During the period in which the Units are offered for sale, none of the Company, its affiliates, or any person acting on any of its or their behalf (other than the Agent, a U.S. Affiliate, any Selling Firm, any of its or their respective affiliates or any person acting on its or their behalf, in respect of which no representation, warranty, covenant or agreement is made) has taken or will take any action (i) in violation of Regulation M under the U.S. Exchange Act in connection with the offer or sale of the Units or (ii) that would cause the exemption afforded by Rule 506(c) of Regulation D to be unavailable for offers and sales of the Units in the United States or to, or for the account or benefit

of, U.S. Persons in accordance with the Agreement, or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Units outside the United States in accordance with the Agreement.

6. Within 15 days of the first sale of the Units in the United States or to, or for the account or benefit of, U.S. Persons, the Company will file a Form D, Notice of Sale, with the SEC and any applicable state securities commissions in connection with the offer and sale of such securities.

7. Neither the Company nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction, temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

8. As of the Closing Date, with respect to the Units to be offered and sold hereunder in reliance on Rule 506(c) of Regulation D, none of the Company, any of its predecessors, any “affiliated” (as such term is defined in Rule 501(b) of Regulation D) issuer, any director, executive officer or other officer of the Company participating in the offering of the Units, any beneficial owner of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale of the Units (other than any Dealer Covered Person, as to whom no representation, warranty, acknowledgement, covenant or agreement is made) is subject to any Disqualification Event.

9. As of the Closing Date, the Company is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Units.

EXHIBIT A TO SCHEDULE B

AGENT'S CERTIFICATE

In connection with the private placement in the United States of the Units and Additional Securities (the "**Units**") of Algernon Pharmaceuticals Inc. (the "**Company**") pursuant to the agency agreement dated as of June 28, 2022 between the Company and the Agent named therein (the "**Agency Agreement**"), the undersigned does hereby certify as follows:

1. ● is on the date hereof, and was at the time of each offer and sale of the Units made by it, a duly registered broker or dealer with the United States Securities and Exchange Commission, and a member of and in good standing with the Financial Industry Regulatory Authority, Inc. ("**FINRA**");

2. prior to the purchase of any Units in the United States or to, or for the account or benefit of, U.S. Persons, each such offeree was provided with a copy of the U.S. Placement Memorandum in the form agreed to by the Company and the Agent;

3. in connection with each sale of Units in the United States we caused each purchaser who is in the United States or is a U.S. Person to execute a U.S. Subscription Agreement in the form annexed to the U.S. Placement Memorandum, and

    a. we caused each such U.S. purchaser who is an Accredited Investor to complete and a U.S Accredited Certificate in the form of Schedule "A" to the U.S. Subscription Agreement; and

    b. we caused each such U.S. purchaser who is a Qualified Institutional Buyer to execute a QIB Letter in the form of Exhibit II to the U.S. Placement Memorandum;

4. immediately prior to transmitting such U.S. Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe that each offeree purchasing Units was either an Accredited Investor or a Qualified Institutional Buyer and, on the date hereof, we continue to believe that each person purchasing Units in the United States or for the account or benefit of a U.S. Person is either an Accredited Investor or a Qualified Institutional Buyer;

5. no Directed Selling Efforts and no form of "general solicitation" or "general advertising" (as those terms are used under Rule 502(c) of Regulation D under the U.S. Securities Act) was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine, on the internet or similar media or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Units in the United States;

6. all offers and sales of Units by us in the United States or to, or for the account or benefit of, U.S. Persons have been effected in accordance with all applicable U.S. federal and state broker-dealer requirements and FINRA rules;

7. neither we nor any of our affiliates have taken or will take, directly or indirectly, any action that would constitute a violation of Regulation M under the U.S. Exchange Act; and

8. all offers and sales of the Units have been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "B" thereto.

[*remainder of page intentionally left blank*]

Terms used in this certificate have the meanings given to them in the Agency Agreement, including Schedule "B" thereto, unless otherwise defined herein.

DATED this ________ day of ___________________________, 2022.

●		●	
Per:	___________________________________ Authorized Signing Officer	Per:	___________________________________ Authorized Signing Officer