

AGENCY AGREEMENT

November 9, 2020

Victory Square Technologies Inc.
Suite 1080 – 789 West Pender Street
Vancouver, BC V6C 1H2

Attention: Mr. Shafin Diamond Tejani, Chief Executive Officer

Dear Sir:

Gravitas Securities Inc. (the “**Agent**”), as sole lead agent and bookrunner, understands that Victory Square Technologies Inc. (the “**Company**”) proposes to issue and sell up to 10,576,924 transferable special warrants of the Company (the “**Special Warrants**”) at a price of \$0.52 per Special Warrant (the “**Offering Price**”), for aggregate gross proceeds to the Company of up to \$5,500,000 (the “**Offering**”).

Upon and subject to the terms and conditions set forth herein, the Company hereby appoints the Agent, and the Agent hereby agrees, to act as agent to the Company to effect the Offering on a “commercially reasonable efforts” private placement basis to Purchasers (as hereinafter defined) in the Qualifying Jurisdictions (as hereinafter defined), the United States (as hereinafter defined) pursuant to appropriate exemptions from the registration requirements of the U.S. Securities Act (as hereinafter defined), and may be offered in such other jurisdictions and the Company and the Agent may agree, acting reasonably, pursuant to the terms and conditions hereof.

The parties acknowledge that the Special Warrants and any underlying securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold in the United States, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States, in the manner specified in this Agreement and pursuant to the representations, warranties, acknowledgments, agreements and covenants of the Company and the Agent contained in Schedule “A” hereto. All actions to be undertaken by the Agent in the United States in connection with the matters contemplated herein shall be undertaken through one or more U.S. Affiliates (as hereinafter defined).

Each Special Warrant will entitle the holder thereof to receive upon deemed exercise on the Automatic Exercise Date (as defined below) and without payment of additional consideration, one unit (each a “**Unit**”) consisting of one common share in the capital of the Company (each, a “**Unit Share**”) and one-half of one transferable common share purchase warrant (each whole warrant, a “**Warrant**”), with each Warrant having an exercise price of \$0.78 per common share (each, a “**Warrant Share**”) with a term of 36 months from the Closing Date (as defined below). The Warrants will be duly and validly created and issued by the Company pursuant to, and governed by, the terms of a warrant indenture (the “**Warrant Indenture**”) to be entered into on the Closing Date between the Company and Computershare Investor Services Inc., as warrant agent in respect of the Warrants (“**Computershare**”). The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture.

In the case of any inconsistency between the description of the Warrants in this Agreement and their terms and conditions as set forth in the Warrant Indenture, the provisions of the Warrant Indenture will govern.

Each Special Warrant will be automatically exercised, without payment of additional consideration or further action on the part of the holder, into one Unit on the earlier of (the “**Automatic Exercise Date**”): (i) the date which is four months and a day following the Closing Date; and (ii) the Qualification Date (as defined below). Notwithstanding the foregoing, in the event a receipt for the Preliminary Prospectus (as defined below) has not been issued on or before the date that is 60 days following the Closing Date, each unexercised Special Warrant will thereafter entitle the holder to receive upon the exercise thereof, at no additional consideration, 1.10 Units in the capital of the Company (instead of one Unit in the capital of the Company) (the additional 0.10 Units in the capital of the Company are referred to herein as the “**Penalty Units**”); provided, however, that any fractional entitlement to Penalty Units will be rounded down to the nearest whole Penalty Unit. The “**Qualification Date**” means the date on which a receipt for the Final Prospectus (as defined below) is issued by the British Columbia Securities Commission, as principal regulator, on its own behalf and on behalf of each of the other relevant securities regulators in the Qualifying Jurisdictions.

The Special Warrants will be duly and validly created and issued pursuant to, and governed by, a special warrant indenture (the “**Special Warrant Indenture**”) to be entered into on the Closing Date between the Company and Computershare in its capacity as special warrant agent thereunder. The description of the Special Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Special Warrants to be set forth in the Special Warrant Indenture. In the case of any inconsistency between the description of the Special Warrants in this Agreement and their terms and conditions as set forth in the Special Warrant Indenture, the provisions of the Special Warrant Indenture will govern.

The Company also hereby grants the Agent the option (the “**Over-Allotment Option**”) to solicit and arrange for the purchase of up to \$1,000,000 of additional Special Warrants (the “**Additional Special Warrants**”), upon the same terms as the Special Warrants, exercisable in whole or in part at any time until the date that is 30 days following the Closing Date at the Offering Price. If the Agent elects to exercise the Over-Allotment Option, the Agent shall notify the Company in writing not later than 30 days following the Closing Date, which notice shall specify the number of Additional Special Warrants to be purchased.

Unless otherwise required by the context, references to the “Offering” shall include the offering of any Additional Special Warrants, and references to the “Units”, “Warrants” and “Warrant Shares” shall include any securities issued upon exercise of the any Additional Special Warrants.

In consideration of the services to be rendered by the Agent in connection with the sale and purchase of Special Warrants under the Offering and all other services related thereto, the Company will pay to the Agent the Commission and the Corporate Finance Fee (as defined below) and issue to the Agent the Agent’s Warrants (as defined below) and the CF Fee Units (as defined below) in accordance with the provisions of paragraph 2.4 and paragraph 2.5.

The Company acknowledges that the Agent will be under no obligation to purchase any of the Special Warrants. The Agent will be entitled in connection with the Offering to appoint, at its sole expense,

other registered dealers acceptable to the Company (the “**Selling Firms**”) as agents to assist in the Offering and the Agent may determine the remuneration payable to such Selling Firms, such remuneration to be the sole responsibility of the Agent.

The Offering is conditional upon and subject to the additional terms and conditions set forth below.

1. Interpretation.

In this Agreement and the Schedules hereto, in addition to the terms defined above, unless otherwise indicated or unless the context otherwise requires, the following terms will have the following meanings:

“**affiliate**” and “**associate**” have the respective meanings ascribed to them in the *Securities Act* (British Columbia);

“**Additional Special Warrants**” has the meaning ascribed to such term above;

“**Agent**” has the meaning ascribed to such term above;

“**Agent’s Shares**” has the meaning ascribed to that term in paragraph 2.4;

“**Agent’s Units**” has the meaning ascribed to that term in paragraph 2.4;

“**Agent’s Unit Warrants**” has the meaning ascribed to that term in paragraph 2.4;

“**Agent’s Unit Warrant Shares**” has the meaning ascribed to that term in paragraph 2.4;

“**Agent’s Warrants**” has the meaning ascribed to that term in paragraph 2.4;

“**Agreement**” means this agreement and includes the schedules hereto, as modified, amended and/or supplemented from time to time;

“**Ancillary Documents**” means all agreements (including the Subscription Agreements, the Special Warrant Indenture, and the Warrant Indenture), certificates (including the global certificates representing the Special Warrants, Unit Shares and the Warrants), officer’s certificates of the Company, notices and other documents executed and delivered, or to be executed and delivered, by the Company in connection with the Offering;

“**Applicable Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, written policies, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and conditions of any grant of approval, permission, authority or license of any court, governmental entity or statutory body or regulatory body (including the CSE) applicable to the Offering, and includes without limitation Securities Laws;

“**Automatic Exercise Date**” has the meaning ascribed to such term above;

“Business Day” means a day which is not a Saturday, a Sunday or a statutory or civic holiday, or a day on which commercial banks are not open for business, in Vancouver, British Columbia;

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

“CF Fee Shares” has the meaning ascribed to that term in paragraph 2.5;

“CF Fee Units” has the meaning ascribed to that term in paragraph 2.5;

“CF Fee Warrants” has the meaning ascribed to that term in paragraph 2.5;

“CF Fee Warrant Shares” has the meaning ascribed to that term in paragraph 2.5;

“Claims” has the meaning ascribed to that term in paragraph 13;

“Closing” means each completion of the issue and sale by the Company, and the purchase by the Purchasers of the Special Warrants on the Closing Date pursuant to this Agreement and the Subscription Agreements;

“Closing Date” means November 9, 2020 or such earlier or later date as may be agreed to in writing by the Corporation and the Agent each acting reasonably;

“Closing Time” means 9:00 am (Vancouver time) on the Closing Date or such other time as the Company and the Agent may agree;

“Commission” has the meaning ascribed to that term in paragraph 2.4;

“Common Share” means a common share in the capital of the Company;

“Company” has the meaning ascribed to such term above;

“Computershare” has the meaning ascribed to such term above;

“Corporate Finance Fee” has the meaning ascribed to that term in paragraph 2.5;

“CSE” means the Canadian Securities Exchange;

“Debt Conversion” has the meaning ascribed to that term in paragraph 2.4;

“Disclosure Documents” means all information regarding the Company (and its predecessors and former Subsidiaries) that has been filed on SEDAR since January 1, 2020, or is filed on SEDAR on or prior to the Automatic Exercise Date, including the Financial Statements, press releases, material change reports and information circulars;

“distribution” means distribution or distribution to the public, as the case may be, as those terms are defined in Securities Laws;

“Documents Incorporated by Reference” means all financial statements, management’s discussion and analysis, management information circulars, annual information forms, business acquisition

reports, material change reports or other documents filed by the Company, whether before or after the date of this Agreement, that are required to be incorporated by reference, or that are deemed to be incorporated by reference, under Securities Laws in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as applicable;

“Final Prospectus” means the (final) short form prospectus of the Company, including all of the Documents Incorporated by Reference, prepared by the Company and certified by the Company and the Agent qualifying the distribution of the Qualified Securities in the Qualifying Jurisdictions;

“Financial Statements” means, collectively: (i) the unaudited consolidated financial statements of the Company as at, and for the six months ended June 30, 2020 and 2019; and (ii) the audited consolidated financial statements of the Company as at, and for the years ended December 31, 2019 and 2018, and the notes thereto, together with the report of Dale Matheson Carr-Hilton LaBonte LLP thereon filed on SEDAR;

“FSE” means the Frankfurt Stock Exchange;

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

“IFRS” means International Financial Reporting Standards, as issued by the International Accounting Standards Board and as adopted by the Chartered Professional Accountants of Canada in Part I of The Chartered Professional Accountants Canada Handbook – Accounting, as amended from time to time;

“including” means “including without limitation”;

“Indemnified Parties” has the meanings ascribed to that term in paragraph 13;

“Intellectual Property” has the meaning ascribed to that term in paragraph 7(o);

“Lien” means any mortgage, charge, pledge, encumbrance, hypothec, security interest, prior claim or lien (statutory or otherwise), in each case, whether contingent or absolute;

“Material Adverse Effect” means any change, fact, event, circumstance or state of being which could reasonably be expected to have a material and adverse effect (actual or anticipated, whether financial or otherwise) on the business, affairs, operations, properties, assets, liabilities (contingent or otherwise), capital, results of operations or condition (financial or otherwise) of the Company or any of its Subsidiaries (taken as a whole);

“misrepresentation”, “material fact” and “material change” have the respective meanings ascribed to them in the *Securities Act* (British Columbia);

“NI 45-106” means National Instrument 45-106 – *Prospectus Exemptions* adopted by the Canadian Securities Administrators;

“**notice**” has the meaning ascribed to such term in paragraph 15;

“**NP 11-202**” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* adopted by the Canadian Securities Administrators;

“**Offering**” has the meaning ascribed to such term above;

“**Offering Price**” has the meaning ascribed to such term above;

“**OTCQX**” means the OTCQX marketplace provided and operated by the OTC Markets Group;

“**Over-Allotment Option**” has the meaning ascribed to such term above;

“**Penalty Units**” has the meaning ascribed to such term above;

“**Permitted Liens**” means such Liens in respect of the Company or any of its Subsidiaries as previously disclosed to the Agent in writing;

“**Person**” includes an individual, a firm, a corporation, a body corporate, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

“**Preliminary Prospectus**” means the preliminary short form prospectus of the Company, including all of the Documents Incorporated by Reference, prepared by the Company and certified by the Company and the Agent relating to the distribution of the Qualified Securities in the Qualifying Jurisdictions;

“**President’s List**” has the meaning ascribed to that term in paragraph 2.4;

“**Purchasers**” means the Persons who are purchasers in the Qualifying Jurisdictions who, as purchasers or beneficial purchasers acquire Special Warrants by duly completing, executing and delivering the Subscription Documents;

“**Qualification Date**” has the meaning ascribed to such term above;

“**Qualified Securities**” means the Units (including, if applicable, the Penalty Units) issuable upon the deemed exercise of the Special Warrants, the Agent’s Warrants and the CF Fee Units;

“**Qualifying Jurisdictions**” means each of the Provinces of British Columbia, Alberta, Manitoba and Ontario;

“**Securities Commission**” means the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions and “**Securities Commissions**” has a comparable meaning;

“**Securities Laws**” means all applicable securities laws in each of the Qualifying Jurisdictions and the United States and the respective rules and regulations made thereunder, together with applicable

published policy statements, instruments, orders and rulings of the securities regulatory authorities in such Provinces of Canada and the rules of the CSE;

“**SEDAR**” means the System for Electronic Document Analysis and retrieval established by National Instrument 13-101 of the Canadian Securities Administrators;

“**Selling Firm**” has the meaning ascribed to such term above;

“**Special Warrants**” has the meaning ascribed to such term above;

“**Special Warrant Indenture**” has the meaning ascribed to such term above;

“**Subscription Agreements**” means the subscription agreements, in the form agreed upon by the Company and the Agent, pursuant to which Purchasers agree to subscribe for and purchase Special Warrants;

“**Subscription Documents**” means, with respect to a Purchaser, a Subscription Agreement duly completed by the Purchaser together with all applicable duly completed schedules to the Subscription Agreement in the forms attached thereto and any other forms or documents required under applicable Securities Laws or any other Applicable Laws;

“**Subsequent Disclosure Documents**” means any annual and/or interim financial statements, management’s discussion and analysis, information circulars, annual information forms, material change reports, business acquisition reports or other documents issued by the Company after the date of this Agreement that are required to be incorporated by reference into the Preliminary Prospectus, the Final Prospectus or any Supplementary Material;

“**Subsidiary**” means the subsidiaries of the Company, as listed in Schedule “B” hereto and “Subsidiary” means any one of the Subsidiaries;

“**Supplementary Material**” means, collectively, any amendment to or amendment and restatement of, the Preliminary Prospectus and/or the Final Prospectus, 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 Securities Laws relating to the qualification of the distribution of the Qualified Securities;

“**Taxes**” has the meaning ascribed to that term in paragraph 7(n);

“**Underlying Securities**” means, collectively, the Qualified Securities, the Unit Shares, the Warrants, the Warrant Shares, the Agent’s Shares, the Agent’s Unit Warrants, the Agent’s Unit Warrant Shares, the CF Fee Shares, the CF Fee Warrants and the CF Fee Warrant Shares;

“**Unit**” has the meaning ascribed to such term above;

“**Unit Share**” has the meaning ascribed to such term above;

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

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

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

“**VST Disclosure Letter**” means the disclosure letter dated the date hereof in respect of certain matters as contemplated herein;

“**Warrant**” has the meaning ascribed to such term above;

“**Warrant Indenture**” has the meaning ascribed to such term above; and

“**Warrant Share**” has the meaning ascribed to such term above.

1.1 Knowledge. 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 where any other reference is made herein or in any Ancillary Document to the knowledge of the Company, it will be deemed to refer to the actual knowledge of the Chief Executive Officer and the Chief Financial Officer of the Company, after having made reasonable enquiry of appropriate and relevant persons.

1.2 Business Days. Where any action or step is to be taken or completed on or by a specified date, and such date is not a Business Day in the applicable jurisdiction, then such action or step may be taken or completed on the next following Business Day.

1.3 Plural and Gender. Whenever used in this Agreement, words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine gender and neuter.

1.4 Currency. Unless otherwise specified, references to “\$” are to Canadian.

2. Terms and Conditions

2.1 Offering. Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and upon acceptance hereof, the Company hereby appoints the Agent, as the Company’s exclusive agent, to offer for sale by way of private placement on a “best efforts” basis, without underwriter liability, the Special Warrants to be issued and sold pursuant to the Offering and the Agent agrees to arrange for purchasers of the Special Warrants in the Qualifying Jurisdictions. Notwithstanding anything to the contrary contained herein or any oral representations or assurances previously or subsequently made by the parties hereto, this Agreement does not constitute a commitment by, or legally binding obligation of, the Agent or any of its affiliates to act as underwriters, initial purchasers, arrangers and/or placement agents in connection with any offering of securities of the Company or to provide or arrange any financing, other than the appointment as agents in connection with the Offering in accordance with the prior sentence and otherwise on the terms set forth herein.

2.2 Legal Compliance. The Company undertakes to file or cause to be filed, within the time periods stipulated by Applicable Laws, all forms, undertakings and other documents required to be filed by the Company under Applicable Laws in connection with the offer and sale of the Special

Warrants in order that the distribution of the Special Warrants and the Underlying Securities may lawfully occur without the necessity of filing a prospectus, registration statement or similar document in Canada or any other jurisdiction where Special Warrants are offered and sold by the Agent. The Company's obligation to file any form, undertaking or other document under the Applicable Laws of any other jurisdiction (other than Canada) will be subject to the Agent advising the Company of such requirement. All fees payable in connection with such filings will be at the sole expense of the Company. The Company further agrees to comply with all Securities Laws and applicable stock exchange requirements (including those of the CSE) in connection with the distribution of the Special Warrants and the Underlying Securities.

2.3 Legends – Securities Laws. The Special Warrants, Unit Shares, Warrants, Warrant Shares, Agent's Warrants, Agent's Shares, Agent's Unit Warrants, Agent's Unit Warrants Shares, CF Fee Shares, CF Fee Warrants and CF Fee Warrant Shares, as applicable (if issued prior to the date that is four months and one day following the Closing Date and prior to the Qualification Date) shall have attached to them, whether through the electronic deposit system of CDS, an ownership statement issued under a direct registration system or other electronic book-entry system, or on certificates that may be issued, as applicable, any legends as may be prescribed by CDS in addition to a legend substantially in the following form:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY FOLLOWING THE CLOSING DATE].”

2.4 Commission and Agent's Warrants. In consideration for the services rendered by the Agent hereunder, the Company will pay a cash commission (the “**Commission**”) at Closing to the Agent equal to 8.0% of the gross proceeds from the sale of the Special Warrants sold pursuant to the Offering, including any proceeds received pursuant to any exercise of the Over-Allotment Option, with the exception of gross proceeds raised from certain identified Purchasers included in the Company's President's list (the “**President's List**”) which shall be subject to a reduced cash commission equal to 6.0% of the aggregate gross proceeds raised from sales to Purchasers from the President's List; provided however, that such reduction in the Commission will be waived by the Company in the event that the aggregate gross proceeds raised through the Offering excluding sales made to Purchasers included in the President's List, matches or exceeds the aggregate sales made to Purchasers included in the President's List.

In addition to the Commission, the Company agrees to issue and deliver to the Agent that number of non-transferable warrants (the “**Agent's Warrants**”) as is equal to 8.0% of the Special Warrants sold under the Offering, including any Additional Special Warrants issued pursuant to any exercise of the Over-Allotment Option, with the exception of Special Warrants sold to Purchasers included in the President's List which shall be subject to a reduced number of Agent's Warrants equal to 6.0% of the Special Warrants sold to Purchasers included in the Purchaser's List. Each Agent's Warrant will be exercisable into one Agent's unit (an “**Agent's Unit**”) for up to 36 months from the Closing Date at the exercise price of \$0.52 per Agent's Warrant. Each Agent's Unit consists of one common share of the Company (an “**Agent's Share**”) and one-half of one non-transferable common share purchase warrant (each whole warrant, an “**Agent's Unit Warrant**”). Each Agent's Unit Warrant will be

exercisable to acquire one common share of the Company (an “**Agent’s Unit Warrant Share**”) for up to 36 months from the Closing Date at the exercise price of \$0.78 per Agent’s Unit Warrant.

In addition, notwithstanding any other terms herein, the Agent acknowledges that Shafin Tejani will be, directly or indirectly, subscribing for an aggregate of 961,538 Special Warrants, which proceeds will be used by the Company to retire debt held by him in the aggregate amount of \$500,000 (the “**Debt Conversion**”). In connection with the Debt Conversion, and notwithstanding any other terms herein, the Agent and the Company agree that the Agent will receive that number of CF Units (as defined below) equal to 5.0% of the aggregate amount of the Special Warrants issued in connection with the Debt Conversion as part of the Corporate Finance Fee (as defined below), and no Agent’s Warrants or Commission will be payable in connection therewith.

The Company covenants that the certificates representing the Agent’s Warrants will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Agent’s Units issued upon exercise of the Agent’s Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares and the payment of stock dividends with respect thereto.

2.5 Corporate Finance Fee. As additional consideration for the services rendered by the Agent hereunder, including soliciting offers to purchase Special Warrants, and performing administrative work in connection therewith, all other services arising out of this Agreement, the Company shall, at the Closing Time, pay to the Agent a corporate finance fee (the “**Corporate Finance Fee**”) equal to 5.0% of the aggregate gross proceeds of the Offering, payable by way of issuing such number of units (the “**CF Fee Units**”) as is equal to 5.0% of the number of Special Warrants issued pursuant to the Offering, including any Additional Special Warrants issued pursuant to any exercise of the Over-Allotment Option. Each CF Fee Unit consists of one common share of the Company (a “**CF Fee Share**”) and one-half of one non-transferable common share purchase warrant (each whole warrant, a “**CF Fee Warrant**”). Each CF Fee Warrant will be exercisable to acquire one common share of the Company (a “**CF Fee Warrant Share**”) for up to 36 months from the date of issuance of such CF Fee Warrant at the exercise price of \$0.78 per CF Fee Warrant.

3. Filing of Preliminary Prospectus and Final Prospectus

- (a) **Preliminary Prospectus.** The Company covenants and agrees to use its commercially reasonable efforts to: (i) prepare and file the Preliminary Prospectus and obtain a receipt therefor from the Securities Commissions and obtain a receipt therefor from the Securities Commissions within 60 days following the Closing Date; and (ii) promptly resolve all comments received or deficiencies raised by the Securities Commissions in respect of the Preliminary Prospectus as expeditiously as possible; provided, however, that the Company will provide to the Agent copies of all correspondence received by the Company from the Securities Commissions relating to such comments or deficiencies and will afford the Agent and its counsel a reasonable opportunity to review and provide input on the Company’s responses to such correspondence.
- (b) **Final Prospectus.** The Company covenants and agrees to use its commercially reasonable efforts to, as soon as practicable after all comments of the Securities

Commissions have been satisfied with respect to the Preliminary Prospectus, prepare and file the Final Prospectus. The Company will promptly take, or cause to be taken, all commercially reasonable steps and proceedings that may from time to time be required under Securities Laws to qualify the distribution of the Qualified Securities in the Qualifying Jurisdictions and will use commercially reasonable efforts to ensure that such requirements (including the issuance of a receipt for the Final Prospectus) will be fulfilled before the Automatic Exercise Date.

- (c) **Commercial Copies.** The Company will cause commercial copies of the Final Prospectus and any Supplementary Material to be delivered to the Agent without charge, in such numbers and in such Qualifying Jurisdictions as the Agent may reasonably request. Such delivery will be effected as soon as practicable and, in any event, within two Business Days after the filing thereof in the Qualifying Jurisdictions. The Agent will cause to be delivered to the Purchasers copies of the Final Prospectus and any Supplementary Material required to be delivered to them pursuant to Applicable Laws.

- (d) **Representation as to Final Prospectus and Supplementary Material.**

Each delivery to any Agent of the Preliminary Prospectus, the Final Prospectus and/or any Supplementary Material by or on behalf of the Company will constitute the representation and warranty of the Company to the Agent that:

- (i) all information and statements (except information and statements relating solely to and provided in writing by the Agent) contained and incorporated by reference in the Preliminary Prospectus or the Final Prospectus or any Supplementary Material, as the case may be, are, at the respective dates of delivery thereof, true and correct and contain no misrepresentation or untrue, false or misleading statement of a material fact and, on the respective dates of delivery thereof, the Preliminary Prospectus, the Final Prospectus or any Supplementary Material provide full, true and plain disclosure of all material facts relating to the Company (on a consolidated basis), the Special Warrants and the Underlying Securities as required by Securities Laws of the Qualifying Jurisdictions;
- (ii) no material fact has been omitted from any of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material (except information and statements relating solely to and provided in writing by the Agent) which is required to be stated therein or is necessary to make the statements therein not misleading in light of the circumstances in which they were made; and
- (iii) each of such documents complies with the requirements of the Securities Laws of the Qualifying Jurisdictions.

Such delivery will also constitute the Company's consent to the Agent's and any Selling Firm's use of the Preliminary Prospectus, the Final Prospectus and any

Supplementary Material in connection with the distribution of the Qualified Securities in the Qualifying Jurisdictions in compliance with the provisions of this Agreement.

- (e) **Review of Prospectuses.** The form and substance of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material will be satisfactory to the Agent, acting reasonably.
- (f) **Due Diligence.** The Company will permit the Agent and its counsel to participate in the preparation of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material, to discuss the Company's business with its corporate officials, auditors, legal counsel and other advisors and to conduct such full and comprehensive review and investigation of the Company's business, affairs, capital and operations as the Agent will consider to be necessary to establish a due diligence defence under Applicable Laws to an action for misrepresentation or damages and to enable the Agent to responsibly execute the Agent's certificate in the Preliminary Prospectus, the Final Prospectus and any Supplementary Material. The Company also covenants to use its commercially reasonable efforts to secure the cooperation of the Company's professional advisors (including its legal advisors and auditors) and the officers and directors to participate in any due diligence conference calls required by the Agent, and the Company consents to the use and the disclosure of information obtained during the course of the due diligence investigation where such disclosure is required by Applicable Laws.
- (g) **Deliveries.** The Company will deliver to the Agent prior to the filing of the Preliminary Prospectus and Final Prospectus, as applicable, unless otherwise indicated:
 - (i) a copy of the Preliminary Prospectus and the Final Prospectus signed on behalf of the Company, by the persons and in the form required by Applicable Laws;
 - (ii) a copy of any other document filed with, or delivered to, the Securities Commissions by the Company under Applicable Laws in connection with the filing of the Preliminary Prospectus or Final Prospectus; and
 - (iii) in the case of the Final Prospectus, a "long-form" comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Agent addressed to the Agent, from the Company's auditors and based on a review completed not more than two Business Days prior to the date of the letter, with respect to certain financial and accounting information relating to the Company included and incorporated by reference in the Final Prospectus, which letter will be in addition to the auditors' report contained in the Final Prospectus and any auditors' comfort letter addressed to or filed with the Securities Commissions under Securities Laws.
- (h) **Supplementary Material.** If applicable, the Company will prepare and deliver promptly to the Agent copies of all Supplementary Material. Concurrently with the delivery of any Supplementary Material or the incorporation by reference in the

Preliminary Prospectus or the Final Prospectus of any Subsequent Disclosure Document, the Company will deliver to the Agent, with respect to such Supplementary Material or Subsequent Disclosure Document, documents substantially similar to those referred to in paragraph 3(g).

4. Covenants of the Company.

In addition to the covenants of the Company set out in the other paragraphs of this Agreement, the Company hereby covenants to and for the benefit of the Agent and the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Special Warrants, that:

- (a) the Company will comply, in all material respects, with its obligations under Applicable Laws;
- (b) the Company will duly execute and deliver the Special Warrant Indenture on or before the Closing Date in form and substance satisfactory to the Agent and its counsel, acting reasonably, and the Company will comply with its covenants contained in the Special Warrant Indenture;
- (c) the Company will duly execute and deliver the Warrant Indenture on or before the Closing Date in form and substance satisfactory to the Agent and its counsel, acting reasonably, and the Company will comply with its covenants contained in the Warrant Indenture;
- (d) the Company will duly execute the Subscription Agreements which have been duly completed by the Purchasers subject to the terms thereof, and duly and punctually perform all the obligations to be performed by it under this Agreement and the Subscription Agreements;
- (e) not, directly or indirectly, without the prior written consent of the Agent (such consent not to be unreasonably withheld or delayed) issue, offer, sell, contract to sell, secure, pledge, grant any option, right or warrant to purchase or otherwise lend, transfer or dispose of (or announce any intention to do so) any equity securities of the Company or any securities convertible into, or exchangeable or exercisable for, equity securities of the Company for a period commencing on the Closing Date and ending 90 days from the Closing Date except in conjunction with (i) the grant or exercise of stock options and other similar issuances pursuant to the existing stock option plan of the Company and other share compensation arrangements; (ii) outstanding warrants or other outstanding convertible securities; (iii) obligations in respect of existing agreements; and (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business;
- (f) the Company will fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions required to be fulfilled by it set out in paragraph 10 hereof that are within its control (unless waived by the Agent);

- (g) the Company will use its commercially reasonable efforts to cause the Unit Shares, Warrant Shares, Agent's Shares, Agent's Unit Warrant Shares, CF Fee Shares, and CF Fee Warrant Shares to be listed and posted for trading on the CSE from and after the Automatic Exercise Date;
- (h) the Company will file with the Securities Commissions and the CSE all forms, notices and certificates required to be filed by the Company pursuant to the Securities Laws in the time required by the Securities Laws, including, for greater certainty, Form 45-106F1 of NI 45-106 and any other forms, notices and certificates set forth in the opinions delivered to the Agent pursuant to the closing conditions set forth in paragraph 10 hereof, as are required to be filed by the Company;
- (i) the Company will ensure that, at all times prior to the Automatic Exercise Date, a sufficient number of Common Shares are duly and validly allotted and reserved for issuance upon the due exercise of the Special Warrants, Warrants, Agent's Warrants, Agent's Unit Warrants and CF Fee Warrants (including with respect to the Penalty Units, if applicable), and the Company will ensure that such Unit Shares, Warrant Shares, Agent's Shares, Agent's Unit Warrant Shares, CF Fee Shares and CF Fee Warrant Shares, upon issuance, will be duly issued as fully paid and non-assessable Common Shares and will have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
- (j) the Company will fulfil all legal requirements to permit the creation, issuance, offering and sale of the Special Warrants and the Underlying Securities, all as contemplated in this Agreement and file or cause to be filed all documents, applications, forms or undertakings required to be filed by the Company and take or cause to be taken all action required to be taken by the Company in connection with the purchase and sale of the Special Warrants and the issuance of the Underlying Securities, so that the distribution of the Qualified Securities may lawfully occur without the necessity of filing a registration statement in the United States or similar document in any other jurisdiction;
- (k) the Company shall use the net proceeds from the sale of the Special Warrants to fund future growth, organic growth investments, working capital and general corporate purposes;
- (l) the Company will until the date of the completion of the distribution of the Qualified Securities, use commercially reasonable efforts to ensure the Preliminary Prospectus and Final Prospectus comply at all times with the Securities Laws;
- (m) the Company will during the period from the date hereof until the date of the completion of the distribution of the Qualified Securities, promptly inform the Agent of the full particulars of any request of any Securities Commissions for any information, or the receipt by the Company of any communication from any Securities Commissions or any other competent authority relating to the Company or which may be relevant to the distribution of the Qualified Securities;

- (n) the Company will comply with each of the covenants of the Company set out in the Subscription Agreements;
- (o) except as disclosed in the VST Disclosure Letter, at all times prior to the completion of the distribution of the Qualified Securities, the Company will continue to operate its business in compliance with Applicable Laws and in the ordinary course;
- (p) the Company will forthwith notify the Agent of any breach of any covenant of this Agreement or any Ancillary Document 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 becomes untrue or inaccurate in any material respect;
- (q) the Company will use its commercially reasonable efforts to make the Special Warrants and Underlying Securities issued to holders resident in Canada eligible for deposit in CDS;
- (r) the Company will advise the Agent, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, the Final Prospectus and any Supplementary Material have been filed and receipts therefor have been obtained pursuant to NP 11-202 and will provide evidence reasonably satisfactory to the Agent of each such filing and copies of such receipts;
- (s) the Company will advise the Agent, promptly after receiving notice or obtaining knowledge thereof, of:
 - (i) the issuance by any Securities Commission of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material;
 - (ii) the institution, threatening or contemplation of any proceeding for any such purposes;
 - (iii) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Special Warrants or the Underlying Securities) having been issued by any Securities Commissions or the institution, threatening or contemplation of any proceeding for any such purposes; or
 - (iv) any requests made by any Securities Commissions to amend or supplement the Preliminary Prospectus or the Final Prospectus or to provide additional information, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in paragraph 4(s)(i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;
- (t) the Company will, except to the extent the Company participates in a merger or business combination transaction which is in the best interest of the Company and

following which the Company is not a “reporting issuer”, 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 Securities Laws of each of the Canadian jurisdictions in which it is currently a reporting issuer, which have such a concept to the date which is 36 months following the Closing Date; and

- (u) the Company will, except to the extent the Company participates in a merger or business combination transaction which is in the best interest of the Company and following which the Company is not listed on the CSE, use its commercially reasonable efforts to maintain the listing of the Common Shares on the CSE or such other recognized stock exchange or quotation system to the date that is 36 months following the Closing Date.

In addition to the covenants of the Company set out in the other paragraphs of this Agreement, the Company hereby further covenants to and for the benefit of the Agent and the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Special Warrants, that following the Closing:

- (v) the Company will allow the Agent to participate in the preparation of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material that the Company is required to file under the Securities Laws relating to the Offering;
- (w) the Company will deliver to the Agent, without charge, contemporaneously with, or prior to the filing of, the Final Prospectus, unless otherwise indicated:
 - (i) a copy of any document filed with, or delivered to, the Securities Commissions by the Company under the Securities Laws with the Final Prospectus;
 - (ii) a certificate dated the date of the Final Prospectus, addressed to the Agent and signed by the Chief Executive Officer and Chief Financial Officer of the Company, certifying for and on behalf of the Company, and not in their personal capacities, after having made due inquiries, with respect to the following matters:
 - (A) the Company having complied with all of the covenants and satisfied all of the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the date of the Final Prospectus;
 - (B) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the issue of the Special Warrants or the Underlying Securities or any of the Company’s issued securities having been issued and no proceeding for such purpose being pending or, to the knowledge of such officers, threatened;

- (C) the representations and warranties of the Company contained in this Agreement and in any certificates of Company delivered pursuant to or in connection with this Agreement being true and correct as at the date of the Final Prospectus, with the same force and effect as if made on and as at the date of the Final Prospectus, after giving effect to the transactions contemplated by this Agreement; and
- (D) since the Closing Time there having been no material adverse change, financial or otherwise, in the assets, liabilities (contingent or otherwise), capital, business or results of operations of the Company; and
- (x) the Company will, until the earlier of the Qualification Date and the Automatic Exercise Date, deliver to the Agent copies of all correspondence and other written communications between the Company and any Securities Commission or other Governmental Authority relating to the Offering and will generally keep the Agent apprised of the status of, including all developments relating to, the Offering.

5. Agent's Representations, Warranties and Covenants.

The Agent hereby represents and warrants to, and covenants with the Company that:

- (a) it is duly qualified and registered to carry on business as a securities dealer in each of the jurisdictions where the sale of the Special Warrants requires such qualification and/or registration in a manner that permits the sale of the Special Warrants on a basis described in paragraph 5(b);
- (b) it will offer and solicit offers for the purchase of the Special Warrants in compliance with Applicable Laws and only from such persons and in such manner that, pursuant to applicable Securities Laws and the securities laws of any other jurisdiction applicable to the offer, sale and solicitation of the Special Warrants under this Offering, no prospectus, registration statement or similar document need be delivered or filed, other than any prescribed reports of the issue and sale of the Special Warrants and, in the case of any jurisdiction other than the Qualifying Jurisdictions, no continuous disclosure obligations will be created;
- (c) it will make any offers or sales of Special Warrants in accordance with the terms of this Agreement;
- (d) it will conduct, and will cause its affiliates and any person acting on its behalf to conduct, activities in connection with arranging for the offer and sale of the Special Warrants in compliance with applicable Securities Laws and the securities laws of any other jurisdiction applicable to the offer and sale of the Special Warrants;
- (e) it will obtain from each Purchaser a completed and executed Subscription Agreement, together with all Subscription Documents (including documents required by the CSE, if any) as may be necessary in connection with subscriptions for Special Warrants to

ensure compliance with applicable Securities Laws and the securities laws of any other jurisdiction applicable to the offer and sale of the Special Warrants under this Offering; and

- (f) it will refrain from advertising the Offering in: (i) printed media of general and regular paid circulation; (ii) radio; (iii) television; or (iv) telecommunication (including electronic display and the Internet) and not make use of any green sheet or other internal marketing without the consent of the Company, such consent to be promptly considered and not to be unreasonably withheld.

6. Material Changes During Distribution.

During the period from the date of this Agreement to the Automatic Exercise Date, the Company will, upon becoming aware of same, promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) of: (a) any material change (actual, anticipated, contemplated or threatened) in the business, operations, assets, liabilities (contingent or otherwise) or capital of the Company; (b) any material fact which has arisen or has been discovered following the Closing Date and is required to be stated in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material or which would have been required to have been stated in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material had the fact arisen or been discovered on, or prior to, the date of such document; and (c) any change in any material fact (which for the purposes of this Agreement will be deemed to include the disclosure of any previously undisclosed material fact) contained in the Disclosure Documents, the Preliminary Prospectus, the Final Prospectus or any Supplementary Material which change is, or may be, of such a nature as to render any statement in the Disclosure Documents, the Preliminary Prospectus, the Final Prospectus or any Supplementary Material misleading or untrue in any material respect or which would result in a misrepresentation in the Disclosure Documents, the Preliminary Prospectus, the Final Prospectus or any Supplementary Material or which would result in the Disclosure Documents, the Preliminary Prospectus, the Final Prospectus or any Supplementary Material not complying with the Securities Laws.

The Company will promptly, and in any event within any applicable time limitation, comply with all applicable filing and other requirements under the Securities Laws as a result of such fact or change; provided, however, that the Company must not file any Supplementary Material or other document without first advising the Agent with respect to the form and content thereof, it being understood and agreed that no such Supplementary Material or document may be filed with any Securities Commissions prior to advising the Agent. The Company must in good faith discuss with the Agent any fact or change in circumstance which is of such a nature that there is or could be reasonable doubt whether notice need be given under this paragraph 6.

7. Representations and Warranties and Additional Covenants of the Company.

The Company represents and warrants to, and covenants with, the Agent and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties and covenants in entering into this Agreement and completing the Closing, that as of the date hereof and the Closing Time or as of such other time as is contemplated by any representation, warranty or covenant set forth below:

- (a) the Company is validly existing under the laws of British Columbia and has all requisite corporate power, capacity and authority to: (i) own, lease and operate its assets and conduct its business as currently conducted or proposed to be conducted and to execute, deliver and carry out its obligations under this Agreement and all Ancillary Documents, and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder in accordance with the terms hereof and thereof; (ii) create, offer, issue and sell the Special Warrants, Agent's Warrants and CF Units in accordance with this Agreement; (iii) to create, issue and deliver the Underlying Securities in accordance with this Agreement; and (iv) to allot, reserve, issue and deliver the Unit Shares, the Warrant Shares, the Agent's Shares, the Agent's Unit Warrant Shares, the CF Fee Shares and the CF Fee Warrant Shares in accordance with this Agreement;
- (b) each Subsidiary has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate power, capacity and authority to own, lease and operate its assets and conduct its business as currently conducted or proposed to be conducted;
- (c) except as disclosed in the VST Disclosure Letter, the Subsidiaries are the only subsidiaries of the Company. Other than the companies listed as "Portfolio Companies" in Schedule "B" hereto, the Company does not beneficially own or exercise control or direction over 10% or more of the outstanding voting shares of any company that holds any assets or conducts any operations other than the Subsidiaries and the Company beneficially owns, directly or indirectly, the percentage indicated on Schedule "B" hereto of the issued and outstanding shares in the capital of the Subsidiaries which are free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands of any kind whatsoever, all of such shares have been duly authorized and are validly issued and are outstanding as fully paid and non-assessable shares and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from the Company of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of any of the Subsidiaries or any other security convertible into or exchangeable for any such shares;
- (d) the Company has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and each Ancillary Document and to observe and perform the provisions of this Agreement and each Ancillary Document in accordance with the provisions hereof and thereof, including the creation and issue of the Special Warrants, the Agent's Warrants, the CF Fee Units and the Underlying Securities upon the terms and conditions set forth herein and the issue and delivery of the Unit Shares and Warrants (including with respect to Penalty Units, if applicable) upon the exercise of the Special Warrants, the issue and delivery of the Warrant Shares upon the exercise of the Warrants, the issue and delivery of the Agent's Shares and Agent's Unit Warrants upon the exercise of the Agent's Warrants, the issue and delivery of the Agent's Unit Warrant Shares upon the exercise of the Agent's Unit

Warrants and the issue and delivery of the CF Fee Warrant Shares upon the exercise of the CF Fee Warrants;

- (e) none of the Company nor any of its Subsidiaries has committed an act of bankruptcy and is insolvent, has proposed a compromise or arrangement to any of its creditors, has had a petition or a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any action with respect to a compromise or arrangement, has taken any action to have itself declared bankrupt or wound-up, has taken any action to have a receiver appointed for any of its property or has had any execution or distress become enforceable or levied upon any of its property or assets;
- (f) except as otherwise disclosed in the VST Disclosure Letter, each of the Company and its Subsidiaries has conducted and is conducting its business in material compliance with all applicable laws and regulations of each jurisdiction in which it carries on business and each of the Company and its Subsidiaries holds all material requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing in all material respects. Without limiting the generality of the foregoing, neither the Company nor any of its Subsidiaries has received a written notice of non-compliance, nor does it know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which would have a Material Adverse Effect;
- (g) each of the Company and its Subsidiaries is the absolute legal and beneficial owner of, and has good and marketable title to, all of the material properties and assets thereof, free and clear of any Liens, except for Permitted Liens, and no other property or assets are necessary for the conduct of the business of the Company and its Subsidiaries as currently conducted. Any and all of the agreements and other documents and instruments pursuant to which each of the Company and its Subsidiaries holds the property and assets thereof are valid and subsisting agreements, documents and instruments in full force and effect, enforceable in accordance with the terms thereof, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, and all material leases, licenses and other agreements pursuant to which the Company or any of its Subsidiaries derives the interests thereof in such property are in good standing. The Company does not know of any claim or the basis for any claim that might or could materially and adversely affect the right of the Company or any of its Subsidiaries to use, transfer or otherwise exploit their respective assets, and neither the Company nor any of its Subsidiaries 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;
- (h) no legal or governmental proceedings or inquiries are pending to which the Company or any of its Subsidiaries is a party or to which the property thereof is subject that

would result in the revocation or modification of any certificate, authority, permit or license necessary to conduct the business now owned or operated by the Company or any of its Subsidiaries which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect and, to the knowledge of the Company, no such legal or governmental proceedings or inquiries have been threatened against or are contemplated with respect to the Company or any of its Subsidiaries or with respect to the properties or assets thereof;

- (i) other than as previously disclosed to the Agent, there are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the best of the Company's knowledge, pending or threatened against or affecting the Company or any of its Subsidiaries, or the directors, officers or employees thereof, at law or in equity or before or by any commission, board, bureau or agency of any kind whatsoever and, to the best of the Company's knowledge, there is no basis therefor and neither the Company nor any of its Subsidiaries is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, is or could reasonably be expected to have a Material Adverse Effect or that would adversely affect the ability of the Company to perform its obligations under this Agreement or any of the Ancillary Documents;
- (j) neither the Company nor any of its Subsidiaries is in violation of its constating documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease, licence or other agreement or instrument to which it is a party or by which it or its property or assets may be bound;
- (k) to the knowledge of the Company, no counterparty to any material obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, mortgage, loan agreement, note, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party is in default in the performance or observance thereof, except where such violation or default in performance would not reasonably be expected to have a Material Adverse Effect;
- (l) since June 30, 2020, except as disclosed in the Disclosure Documents, neither the Company nor any of its Subsidiaries has approved, or has entered into any agreement in respect of: (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company whether by asset sale, transfer of shares or otherwise; (ii) the change in control (by sale, transfer or other disposition of shares or sale, transfer, lease or other disposition of all or substantially all of the property and assets of the Company or any of its Subsidiaries) of the Company; or (iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Company;

- (m) the authorized capital of the Company consists of an unlimited number of Common Shares, of which as of the date hereof, 75,806,167 Common Shares were issued and outstanding as fully paid and non-assessable shares. As of the date hereof, other than (i) outstanding stock options to acquire an aggregate of 4,975,000 Common Shares, (ii) no outstanding share purchase warrants, (iii) no outstanding convertible debentures convertible and (iv) the Special Warrants, no Person will have any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued shares or other securities of the Company;
- (n) except as disclosed in the VST Disclosure Letter, all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by each of the Company and each of its Subsidiaries have been paid. All tax returns, declarations, remittances and filings required to be filed by the Company have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. Except as otherwise disclosed in the VST Disclosure Letter, no examination of any tax return of the Company or any of its Subsidiaries is currently in progress to the knowledge of the Company and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Company or any of its Subsidiaries in any case;
- (o) each of the Company and its Subsidiaries owns or has all proprietary rights provided in law and at equity to all patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, "**Intellectual Property**") necessary to permit the Company and each of its Subsidiaries to conduct their respective business as currently conducted. Neither the Company nor any of its Subsidiaries has received any notice nor is the Company aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances that would render any Intellectual Property invalid or inadequate to protect the interests of the Company or any of its Subsidiaries therein and which infringement or conflict (if subject to an unfavourable decision, ruling or finding) or invalidity or inadequacy would reasonably be expected to have a Material Adverse Effect;
- (p) there are no material restrictions on the ability of the Company or any of its Subsidiaries to use and explore all rights in the Intellectual Property required in the ordinary course of the business of the Company and its Subsidiaries, as applicable. None of the rights of the Company and its Subsidiaries in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;

- (q) each of the Company and its Subsidiaries has taken all reasonable steps to protect its Intellectual Property in those jurisdictions where, in the reasonable opinion of the Company, the Company and each of its Subsidiaries carries on a sufficient business to justify such filings;
- (r) any and all of the agreements and other documents and instruments pursuant to which each of the Company and each of its Subsidiaries holds the property and assets thereof (including any interest in, or right to earn an interest in, any Intellectual Property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, neither the Company nor any of its Subsidiaries is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all material leases, licences and other agreements pursuant to which the Company and each of its Subsidiaries derives the interests thereof in such property and assets are in good standing and there has been no material default under any such lease, licence or agreement. None of the properties (or any interest in, or right to earn an interest in, any property) of the Company or any of its Subsidiaries is subject to any right of first refusal or purchase or acquisition right;
- (s) except as disclosed in the Disclosure Documents, no Person who owns, directly or indirectly, more than 10% of any class of securities of the Company or securities of any Person exchangeable for more than 10% of any class of securities of the Company, or any associate or affiliate of any of the foregoing, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such Person) with the Company which, as the case may be, materially affects, is material to or will materially affect the Company;
- (t) except as disclosed in the VST Disclosure Letter, the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company or any of its Subsidiaries other than with respect to or in connection with the Permitted Liens and any shareholders' agreement in force as at the date hereof with respect to any of its Subsidiaries;
- (u) neither the Company nor any of its Subsidiaries is a party to, bound by or, to the knowledge of the Company, affected by any commitment, agreement or document containing any covenant which expressly and materially limits the freedom of the Company or any of its Subsidiaries to compete in any line of business, transfer or move any of its respective assets or operations or which would reasonably be expected to result in a Material Adverse Effect;
- (v) except as disclosed in the Financial Statements, other than liabilities incurred in the ordinary course of the Company's business, there are no material liabilities of the Company, whether direct, indirect, absolute, contingent or otherwise, and the Company has not made any loans to or guaranteed the obligations of any Person;

- (w) the Company is in compliance with all laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where non-compliance with such laws could not reasonably be expected to have a Material Adverse Effect;
- (x) except as disclosed in the VST Disclosure Letter, the Company is not aware of any legislation, regulation or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company or any of its Subsidiaries presently in force or, to the Company's knowledge, proposed to be brought into force, or any pending or contemplated change to any licensing or legislation, regulation, by-law or other lawful requirement of any Governmental Authority having lawful jurisdiction over the Company or any of its Subsidiaries presently in force, that the Company reasonably expects the Company or any of its Subsidiaries will be unable to comply with or which could reasonably be expected to result in a Material Adverse Effect;
- (y) all information which has been prepared by the Company relating to the Company and its business, properties and liabilities and made available to the Agent was, as of the date of such information and is as of the date hereof, true and correct in all material respects, taken as a whole, and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (z) the Company has not withheld and will not withhold from the Agent prior to the date hereof, any material fact relating to the Company or any of its Subsidiaries;
- (aa) the minute books and corporate records of the Company and the Subsidiaries for the period from incorporation to the date hereof made available to the Agent contain copies of all proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders and the directors (or any committee thereof) thereof and there have been no other meetings, resolutions or proceedings of the shareholders or directors of the Company and the Subsidiaries to the date hereof not reflected in such corporate records, other than those which are not material to the Company and the Subsidiaries, as the case may be;
- (bb) all necessary corporate action has been taken by the Company to authorize the valid creation, issue and sale of, and the delivery by the Company of the Special Warrants and the Underlying Securities via a non-certificated inventory deposit with CDS;
- (cc) upon payment of the requisite consideration therefor: the Special Warrants will be validly created and issued; upon the exercise of the Special Warrants, the Units will be validly created and issued, consisting of the Unit Shares validly issued as fully paid and non-assessable shares in the capital of the Company and the Warrants validly created and issued, as applicable; and upon the exercise of the Warrants, the Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;
- (dd) upon Closing, the Agent's Warrants will be validly created and issued; upon the exercise of the Agent's Warrants, the Agent's Units will be validly created and issued,

consisting of the Agent's Shares validly issued as fully paid and non-assessable shares in the capital of the Company and the Agent's Unit Warrants validly created and issued; and upon the exercise of the Agent's Unit Warrants, the Agent's Unit Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;

- (ee) upon Closing, the CF Fee Units, consisting of the CF Fee Shares and the CF Fee Warrants will be validly created and issued, with the CF Fee Shares validly issued as fully paid and non-assessable shares in the capital of the Company and the CF Fee Warrants validly created and issued; and upon the exercise of the CF Fee Warrants, the CF Fee Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;
- (ff) none of the: (i) creation, issuance and sale of the Special Warrants, the Agent's Warrants, the CF Fee Units or the creation or issuance of the Underlying Securities; (ii) the execution and delivery of this Agreement or any Ancillary Document; (iii) compliance by the Company with the provisions of this Agreement or any of the Ancillary Documents; or (iv) consummation of the transactions contemplated herein including, without limitation, the creation, issue, sale and delivery (as the case may be) of the Special Warrants, the Agent's Warrants, the CF Fee Units and the Underlying Securities will: (A) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any Governmental Authority, court, stock exchange, securities regulatory authority, any class or classes of the securityholders of the Company or other Person, except: (x) such as have already been obtained; or (y) such as may be required under applicable Securities Laws of the Qualifying Jurisdictions and will be obtained in compliance with the requirements of Securities Laws and the CSE; or (B) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under (whether after notice or lapse of time or both), any indenture, mortgage, deed of trust, lease or other material agreement or instrument to which the Company or any Subsidiary of the Company is a party or by which any of them or any of the assets thereof are bound, or the articles, by-laws or any other constating document of the Company or any Subsidiary of the Company or any resolution passed by the directors (or any committee thereof) or shareholders of the Company or any of its Subsidiaries, or any statute or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, arbitrator, stock exchange or securities regulatory authority applicable to the Company or any of its Subsidiaries or any of the assets thereof, which could have a Material Adverse Effect;
- (gg) each of this Agreement, the Special Warrant Indenture, the Warrant Indenture and the Subscription Agreements (when accepted by the Company) has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with the terms hereof or thereof, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the

application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;

- (hh) the Company has filed with all applicable regulatory authorities all documents required under Applicable Laws. The Disclosure Documents complied in all material respects with Securities Laws at the time they were filed. There is no material fact known to the Company which the Company has not disclosed to, or which the Company has withheld from, the Agent and which has or may reasonably be expected to have a Material Adverse Effect or which materially adversely affects or which may reasonably be expected to materially adversely affect the ability of the Company to perform its obligations under this Agreement or any Ancillary Document;
- (ii) there has not occurred any material change in the assets, liabilities, capital, affairs, prospects, business, operations or condition of the Company and its Subsidiaries taken as a whole which has not been generally publicly disclosed in a Disclosure Document;
- (jj) no order preventing, ceasing or suspending trading in any securities of the Company or prohibiting the issue and sale of securities by the Company has been issued and no proceedings for any of such purposes have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened;
- (kk) the Financial Statements and the notes thereto, present fairly, in all material respects, the financial position of the Company and the statements of profit or loss and other comprehensive income, changes in equity and cash flow of the Company as at the dates and for the periods specified in such Financial Statements, and have been prepared in conformity with IFRS applied on a consistent basis throughout the periods involved, and there has been no material change in accounting policies or practices of the Company since June 30, 2020;
- (ll) other than as disclosed in the Disclosure Documents or in respect of this Offering, since June 30, 2020, none of the Company or any of its Subsidiaries has:
 - (i) paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;
 - (ii) incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business and which is not, and which in the aggregate are not, material; or
 - (iii) entered into any material transaction;
- (mm) other than the Agent and except as may be consented to by the Agent, there is no Person acting or purporting to act at the request of the Company, who is entitled to any brokerage underwriting, finders', advisory or agency fee in connection with the Offering;

- (nn) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences;
- (oo) the Company is a reporting issuer or the equivalent thereof in the Provinces of British Columbia and Ontario and is not in default of any of its obligations under the securities laws of such Provinces. The Company is not required to file reports with the United States Securities and Exchange Commission pursuant to Section 13(a) or Section 15(d) of the U.S. Exchange Act;
- (pp) the Common Shares are listed on the CSE, the FSE and the OTCQX, and the Company is in material compliance with all rules, regulations and policies of the CSE, the FSE and the OTCQX;
- (qq) neither the Company nor any of its Subsidiaries nor, to the best knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its Subsidiaries, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of the Corruption of Foreign Officials Act (Canada) or the Foreign Corrupt Practices Act (United States), or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment;
- (rr) the operations of the Company and the Subsidiaries are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which the Company and the Subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of the Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened; and
- (ss) the Company or, to the best knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company has not been or is not currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department and the Company will not directly or indirectly use any proceeds of the distribution of the Special Warrants or lend, contribute or otherwise make available such proceeds to the Company or to any

affiliated entity, joint venture partner or other person or entity, to finance any investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States.

8. Closing.

The purchase and sale of the Special Warrants will be completed at the Closing Time at the offices of MLT Aikins LLP in Vancouver, British Columbia, or at such other place as the Company and the Agent may agree upon. At or prior to the Closing Time, the Company will, subject to the provisions of paragraph 10, duly and validly deliver to the Agent, or arrange for the delivery thereto of the Special Warrants by way of electronic deposit registered in the name of "CDS & Co." or such other name or names as the Agent may direct in writing, against payment at the direction of the Company, in lawful money of Canada, by wire transfer of an amount equal to the aggregate subscription price for the number of Special Warrants being issued and sold hereunder less the Commission and all of expenses of the Agent payable by the Company to the Agent in accordance with paragraph 9 hereof.

9. Fees and Expenses of the Company.

The Company will pay all expenses and fees in connection with the Offering, including, without limitation: (a) all expenses of or incidental to the creation, issue, sale or distribution of the Special Warrants, the Agent's Warrants, the CF Fee Units and the Underlying Securities (and the Penalty Units and associated Underlying Securities, if applicable); (b) all costs incurred in connection with the preparation of documentation relating to the Offering (including the qualification and distribution pursuant to the Final Prospectus of the Qualified Securities; (c) the fees and expenses of counsel and auditors to the Company, and the Company's registrar and transfer agent and Computershare; (d) all applicable filing, regulatory and CSE fees; and (e) all reasonable fees and expenses incurred by the Agent, the reasonable fees and disbursements of the Agent's Canadian legal counsel, up to a maximum of \$125,000 (exclusive of disbursements and applicable taxes). The Company agrees that it will be solely responsible for all fees invoiced by Agent's counsel (inclusive of taxes and disbursements), which fees, taxes and disbursements shall be payable whether or not the Offering is completed, subject to the maximum set out above. All fees and expenses incurred by the Agent or on its behalf will be payable by the Company immediately upon receiving an invoice therefor from the Agent and will be payable whether or not the Offering is completed.

10. Closing Conditions.

In addition to the deliveries contemplated by paragraph 8, the Agent's obligation to close the sale of Special Warrants sold under the Offering, at the Closing Time will be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Agent will have received at the Closing Time a certificate dated as of the Closing Date addressed to the Agent and signed by the Chief Executive Officer and Chief Financial Officer of the Company, in a form satisfactory to the Agent, acting reasonably, certifying for and on behalf of the Company and without personal liability, after having made due enquiries, that: (i) the Company has complied in all material respects (except where already qualified by materiality, in which case the Company has complied in all respects) with all the covenants and satisfied in all material

respects (except where already qualified by materiality, in which case the Company has satisfied in all respects) all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time (ii) the representations and warranties of the Company contained in this Agreement and any certificate of the Company delivered hereunder are true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as at the Closing Time with the same force and effect as if made on and as at such Closing Time after giving effect to the transactions contemplated by this Agreement; (iii) since June 30, 2020, other than as disclosed in the Disclosure Documents (A) there has been no material change affecting the Company on a consolidated basis, and (B) no transaction has been entered into by the Company other than in the ordinary course of business; there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact or a new material fact) which material fact or change is of such a nature as to render any statement in the Disclosure Documents misleading or untrue in any material respect or which would result in a misrepresentation in the Disclosure Documents or which would result in the Disclosure Documents not complying with applicable Securities Laws; and (v) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting or suspending the offering, issue or sale of the Special Warrants or any of the Company's issued securities, having been issued, and no proceeding for such purpose being threatened or, to the knowledge of such officers, pending;

- (b) the Agent will have received at the Closing Time a certificate dated the Closing Date, signed by appropriate officers of the Company addressed to the Agent and counsel to the Agent, with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to this Agreement, the Ancillary Documents, the creation, issuance, offering, sale, allotment and reservation (as applicable) of the Special Warrants, the Agent's Warrants, the CF Fee Units and the Underlying Securities and the consummation of the respective transactions contemplated herein and therein, and the incumbency and specimen signatures of signing officers and such other matters as the Agent may reasonably request;
- (c) the Subscription Agreements will have been accepted, executed and delivered by the Company and the other parties thereto in a form and substance satisfactory to the Agent and its counsel, acting reasonably;
- (d) the Special Warrant Indenture will have been executed and delivered by the Company and Computershare in form and substance satisfactory to the Agent and its counsel, acting reasonably;
- (e) the Warrant Indenture will have been executed and delivered by the Company and Computershare in form and substance satisfactory to the Agent and its counsel, acting reasonably;

- (f) the Agent will have received at the Closing Time certificates representing the Agent's Warrants, CF Fee Shares and CF Fee Warrants registered in accordance with its instructions;
- (g) the Agent will have received favourable legal opinions addressed to the Purchasers and the Agent, in form and substance satisfactory to the Agent and its legal counsel, dated the Closing Date from MLT Aikins LLP, counsel for the Company, as to the laws of Canada and of the Qualifying Jurisdictions in which Purchasers are resident at the Closing Time; provided, however, that they may rely on opinions of local counsel of recognized standing in such jurisdictions where they are not qualified to practice law, which counsel may rely, as to factual matters only, on certificates of the Company's auditors, the Company's registrar and transfer agent, public and stock exchange officials and officers of the Company, which opinion will address such matters as the Agent may reasonably request;
- (h) the Agent will have received favourable legal opinions addressed to the Purchasers and the Agent, in form and substance satisfactory to the Agent and its legal counsel, dated the Closing Date from local counsel to the Company as to the incorporation, capacity, ownership, subsistence and authorized and issued capital of the Subsidiaries, other than PDL USA Inc., and such other legal matters reasonably requested by the Agent;
- (i) if any Special Warrants are being sold to Purchasers in the United States, the Agent shall have received at the Closing Time an opinion addressed to the Agent, in form and substance satisfactory to counsel to the Agent, acting reasonably, dated as of the Closing Date, from U.S. legal counsel to the Company to the effect that registration under the U.S. Securities Act is not required in connection with the offer and sale of the Special Warrants in the United States;
- (j) the Agent will have received: (i) a certificate of status (or equivalent document) in respect of the Company and its Subsidiaries, other than PDL USA Inc.; (ii) satisfactory evidence that the Company is not in default under the Securities Laws of the jurisdictions in which the Company is a reporting issuer; and (iii) a certificate from the Company's registrar and transfer agent dated the Closing Date as to the number of Common Shares issued and outstanding as at the Business Day prior to the Closing Date;
- (k) the Agent shall have received from each director and officer of the Company lock-up agreements substantially in the form of Schedule "C" hereto;
- (l) the Agent shall, in its sole discretion, acting reasonably, be satisfied with its due diligence review with respect to the business, assets, financial condition, affairs and prospects of the Company;
- (m) the Company will have fulfilled to the satisfaction of the Agent all covenants set forth in paragraph 4 that are required to be satisfied by it on or prior to the Closing Time; and

- (n) the Agent will not have terminated its obligations under this Agreement pursuant to paragraph 11.

11. Rights of Termination.

- (a) All terms and conditions set out in this Agreement will be construed as conditions and any material breach or failure by the Company to comply with any such conditions in favour of the Agent will entitle the Agent to terminate and cancel, without any liability on the part of the Agent, all of its obligations under this Agreement and the obligations of any Purchaser to purchase the Special Warrants, by notice in writing to that effect delivered to the Company prior to or at the Closing Time. The Company will use commercially reasonable efforts to cause all conditions in this Agreement over which it has control to be satisfied. It is understood that the Agent may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any subsequent breach or non-compliance; provided, however, that to be binding on an Agent, any such waiver or extension must be in writing and signed by such Agent.
- (b) In addition to any other remedies which may be available to the Agent in respect of any default, act or failure to act, non-compliance with the terms of this Agreement by the Company, the Agent will be entitled, at its sole option, to terminate and cancel, without any liability on the part of the Agent, all of its obligations under this Agreement and the obligations of any Purchaser to purchase the Special Warrants, by notice in writing to that effect delivered to the Company prior to or at the Closing Time if:
 - (i) there will be any material change in the business, affairs, financial condition, prospects, capital or control of the Company and its Subsidiaries, taken as a whole, or any change in a material fact or a new material fact, or there should be discovered any previously undisclosed fact (other than facts relating solely to the Agent) which, in each case, in the reasonable opinion of the Agent, has or could be expected to have a significant adverse effect on the market price or value or marketability of the Common Shares, the Special Warrants or any other securities of the Company;
 - (ii) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order is made or issued under or pursuant to any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency, or instrumentality including, without limitation, the CSE or any securities regulatory authority, against the Company or its Subsidiaries or any of their respective officers or directors, or any law or regulation is enacted or changed which in the opinion of the Agent, acting reasonably, could operate to prevent or restrict or otherwise seriously and adversely affect the distribution or trading of the Special Warrants or value of the Common Shares, the Special Warrants or any other securities of the Company;

- (iii) there should develop, occur or come into effect or existence any event, action, state, accident, condition, terrorist event, any escalation in the severity of the COVID-19 pandemic after the date hereof, or major financial occurrence of national or international consequence or any law or regulation which in the opinion of the Agent seriously adversely affects or involves or could be reasonably expected to seriously adversely affect or involve the Canadian or United States financial markets or the business, operations or affairs of the Company and its Subsidiaries taken as a whole or the market price or value of the Special Warrants, Common Shares or other securities of the Company; or
 - (iv) the Agent determine that the Company is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Company in this Agreement is or becomes false.
- (c) The rights of termination contained in paragraph 11 may be exercised by the Agent and are in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there will be no further liability on the part of the Agent to the Company or on the part of the Company to the Agent except in respect of any liability or obligation which may have arisen or arises after such termination under paragraphs 1, 2.4, 9, 12 or 13, which paragraphs will survive the termination of this Agreement.
- (d) The Agent will use commercially reasonable efforts to give the notice to the Company as contemplated by paragraph 11 of the occurrence of any of the events or circumstances referred to therein, provided that neither the giving nor the failure to give such notice will in any way affect the Agent's entitlement to exercise its rights contained in paragraph 11 at any time through to the Closing Time.

12. Survival of Representations and Warranties.

The representations, warranties, covenants and indemnities of the Company and the Agent contained in this Agreement will survive the Closing for a period of three years following the Closing Date.

13. Indemnity.

- (a) The Company hereby agrees to indemnify and save harmless the Agent, its affiliates and directors, officers, employees, partners, agents, advisors and shareholders (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses (other than loss of profit), expenses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel (collectively, "**Losses**") in connection with any action, suit, proceeding, investigation or claim (including, without limitation, security holder or

derivative actions, arbitration proceedings or otherwise) that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "Claims") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly:

- (i) any untrue statement or alleged untrue statement of material fact contained in the information (whether written or oral) supplied to any prospective investor by or on behalf of the Company or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; or
- (ii) the Offering,

and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim.

- (b) The Company agrees to waive any right that the Company 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 either (i) or (ii) above, except, in the case of (ii) above only, 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 primarily from the negligence or willful misconduct of such Indemnified Party.
- (c) The Company shall not, without the prior written consent of the Agent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any Claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Party is a party thereto) unless the Company has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise, consent or termination includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party.
- (d) Promptly after receiving notice of a Claim against the Agent or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company, the Agent or any such other Indemnified Party shall notify the Company in writing of the particulars thereof, provided that the omission so to notify the Company shall not relieve the Company of any liability which the Company may have to the Agent or any other Indemnified Party except and only to the extent that any such delay in or failure to give notice as herein required prejudices the

defense of such Claim or results in any material increase in the liability which the Company may have under this Indemnity. The Company shall have 14 calendar days after receipt of the notice to undertake, conduct and control, through counsel of its own choosing and at its own sole expense, the settlement or defense of the Claim. If the Company undertakes, conducts and controls the settlement or defense of the Claim, the relevant Indemnified Parties shall have the right to participate in the settlement or defense of the Claim.

- (e) The foregoing indemnity shall not apply, with respect to item (ii) above only, 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 primarily caused by the negligence or willful misconduct of the Indemnified Party.
- (f) If for any reason the foregoing indemnity is unavailable (other than in accordance with the terms hereof) to the Agent or any other Indemnified Party or insufficient to hold the Agent or any other Indemnified Party harmless in respect of a Claim, the Company shall contribute to the amount paid or payable by the Agent or the other Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Agent or any other Indemnified Party on the other hand but also the relative fault of the Company, the Agent or any other Indemnified Party as well as any relevant equitable considerations; provided that the Company shall in any event contribute to the amount paid or payable by the Agent or any other Indemnified Party as a result of such Claim any excess of such amount over the amount of the fees actually received by the Indemnified Parties hereunder.
- (g) The Company hereby constitutes the Agent as trustee for each of the other Indemnified Parties of the Company's covenants under this indemnity with respect to those persons and the Agent agrees to accept that trust and to hold and enforce those covenants on behalf of those persons.
- (h) The Agent may retain counsel to separately represent itself in the defense of a Claim and the Company shall pay the reasonable fees and disbursements of such counsel if:
 - (i) the Company does not promptly assume the defense of the Claim no later than 14 calendar days after receiving actual notice of the Claim;
 - (ii) the Company agrees to separate representation;
 - or (iii) the Agent is advised in writing by counsel that there is an actual or potential conflict in the Company's and the Agent's respective interests or additional defenses are available to the Agent which makes representation by the same counsel inappropriate.
- (i) The obligations of the Company hereunder are in addition to any liabilities which the Company may otherwise have to the Agent or any other Indemnified Party.

14. Right of First Refusal.

Upon and contingent upon closing of the Offering until a period that is the later of one year from the Closing Date; or the date of the Company's next financing for proceeds in excess of \$100,000, the Agent shall have the exclusive right and opportunity to act as lead agent and sole book runner for any offering of securities of the Company to be issued and sold in Canada by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer. If the Company is intending to proceed with any such issuance or has received a proposal for any such issuance, the Company shall provide to the Agent written notice of the proposed terms thereof (including the commission payable to those agents) and the Agent shall have an opportunity to respond, within five business days following receipt of the notice, to the Company that they wish to act as lead agent, sponsor or advisor, as the case may be, on the terms and conditions contained therein. If the Agent declines, in writing, the Company may proceed with such offering or advisory engagement through another agent, advisor or underwriter, provided the arrangements with such agent, advisor or underwriter are no less favourable to the Company and are entered into within 30 days thereafter. The rights of participation provided by this Section 14 shall not terminate in the event that the Agent declines to act as agent, advisor or underwriter, as the case may be.

15. Notices.

Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be delivered to:

If to the Company:

Victory Square Technologies Inc.
Suite 1080 – 789 West Pender Street,
Vancouver, BC V6C 1H2

Attention: Shafin Diamond Tejani, Chief Executive Officer
Email: Shafin.diamond@gmail.com

and, in respect of any notice given to the Company, with a copy to:

MLT Aikins LLP
Suite 2600 – 1066 West Hastings Street,
Vancouver, BC V6E 3X1

email: mshams@mltaikins.com
Attention: Mahdi Shams

If to the Agent:

Gravitas Securities Inc.
333 Bay Street, Suite 1700,
Toronto, ON M5H 2R2

Attention: Blayne Creed
Email: BCreed@gravitassecurities.com

and, in respect of any notice given to the Agent, with a copy (which will not constitute notice) to:

DuMoulin Black LLP
10th Floor, 595 Howe Street
Vancouver, BC V6C 2T5

email: jkates@dumoulinblack.com
Attention: Justin Kates

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

Each notice will be personally delivered to the addressee or sent by email transmission to the addressee and: (a) a notice which is personally delivered will, 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 (b) a notice which is sent by email transmission will be deemed to be given and received on the first Business Day following the day on which it is confirmed to have been sent.

16. Confidential Information.

For the purposes of this Agreement, “**Confidential Information**” includes financial, operating, technical, and other information and materials concerning the Company, its properties and its direct and indirect subsidiaries, which is furnished to the Agent, or to any of its directors, officers, and employees or to the Agent’s accounting and legal advisors by the Company or any director, officer, employee, financial or accounting advisor, legal advisor, representative or other agent of the Company.

The term “Confidential Information” does not include information which: (a) becomes generally available to the public other than as a result of a disclosure by the Agent not permitted hereunder; (b) was available to the Agent on a non-confidential basis prior to its disclosure to the Agent by the Company; (c) becomes available to the Agent on a non-confidential basis from a source other than the Company, provided that such source is not, to the knowledge of the Agent, bound by a confidentiality agreement with, or other confidentiality obligation to the Company; or (d) is independently developed by the Agent without reference to any Confidential Information.

The Agent undertakes to keep confidential all Confidential Information received from the Company and shall not disclose such Confidential Information without the prior written approval of the Company except as may be required by law or in connection with legal or regulatory proceedings. If the Agent is requested to disclose Confidential Information as a legal requirement or as part of a legal or regulatory process, the Agent shall provide the Company with prompt notice of such request so

that the Company can take whatever action it wishes to take in relation to the request. The Agent undertakes not to use any Confidential Information received from the Company for any other purpose, except as contemplated in this Agreement.

The obligations of the Agent in this Section 16 shall terminate 12 months following the Closing Date or the termination of this Agreement, whichever is earlier.

The Company shall keep confidential all advice and opinions provided by the Agent, except as provided herein or as required to be disclosed by applicable law or in connection with legal or regulatory proceedings. If the Company is requested to disclose any such advice or opinions as a legal requirement or as part of a legal or regulatory process, the Company shall provide the Agent with prompt written notice of such request so that the Agent can take whatever action it wishes to take in relation to the request.

17. Use of Agent's Advice.

None of (a) the name of the Agent, (b) the written or verbal advice, opinions or conclusions of the Agent, including, but not limited to, any background or supporting materials or analysis, or (c) any communication, fee or other arrangements with the Agent in connection with the services performed by the Agent pursuant to this Agreement, will be publicly disclosed, reproduced or referred to or provided to any third party by the Company, without the prior written consent of the Agent in each specific instance, such consent not to be unreasonably withheld. The Agent expressly disclaims any liability or responsibility by reason of any unauthorized use, publication, distribution of or reference to any written or verbal advice or opinions or materials provided by the Agent or any unauthorized reference to the Agent or this engagement. This Agreement and the terms thereof are confidential and may not be publicly disclosed, referred to or provided to any third party by the Company without the prior written consent of the Agent in each specific instance or unless required by applicable law in which case the Company shall provide the Agent with prior written notice so that the Agent may seek a protective order, injunction or other appropriate remedy.

18. Publicity.

- (a) 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. 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.
- (b) The Company agrees that the Agent may make public its involvement with the Company in the Offering, including the right of the Agent at its own expense to, following completion of the Offering, place advertisements describing their services to the Company, in financial, news or business publications. If requested by the Agent, the Company will include a mutually acceptable reference to the Agent in any press release or other public announcement made by the Company regarding the matters described in this Agreement.

19. Direction of Inquiries.

The Company agrees to direct all enquiries from any person or entity, expressing an interest in participating in the Offering to the Agent.

20. Independent Contractor.

The Company acknowledges that it has retained the Agent solely to assist the Company (and not any other person) with the matters set forth in this Agreement. In rendering their assistance, the Agent will act as an independent contractor, and the Agent owes its duties arising out of this engagement solely to the Company, and to no other person. The Company acknowledges that nothing in this Agreement is intended to create duties to the Company, beyond those expressly provided for in this Agreement, and the Agent and the Company specifically disclaim the creation of any partnership, joint venture, fiduciary, agency or non-contractual relationship between, or the imposition of any partnership, joint venture, fiduciary, agency or non-contractual duties on, either party. Except as set out in Section 13 of this Agreement, nothing in this Agreement is intended to confer upon any other person any rights or remedies under this Agreement or by reason of this Agreement.

The Company acknowledges that the Agent is not acting in any capacity other than as expressly provided for in this Agreement, including as to legal, tax or accounting matters in any jurisdiction, and that the Agent will not provide any legal, tax or accounting advice, either pursuant to this Agreement or otherwise. The Company shall be solely responsible for engaging and instructing such advisors as they deem necessary for purposes of the subject matter of this Agreement and is solely responsible for making its own independent investigation and appraisal of the transaction contemplated under this Agreement, and the Agent shall have no responsibility or liability to the Company with respect to such matters.

21. Compliance with Laws.

The Company and the Agent shall comply with all applicable laws, regulations, rules and policies, whether domestic, foreign, national, federal, provincial, state or otherwise applicable to the Offering.

22. General.

22.1 Time of the Essence. Time will, in all respects, be of the essence hereof.

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

22.3 Entire Agreement. This Agreement and the other agreements and documents referred to herein constitute the only agreement between the parties with respect to the subject matter hereof and will supersede any and all prior negotiations and understandings between the parties hereto with respect to the transactions contemplated in this Agreement. This Agreement may be amended or modified in any respect by written instrument only.

22.4 Conflict. The Company acknowledges that the Agent and its affiliates carry on a range of businesses, including providing stockbroking, investment advisory, research, investment

management and custodial services to clients and trading in financial products as agent or principal. It is possible that the Agent and other entities in its group that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Company agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Company's interests under this Agreement.

22.5 No Fiduciary Duty. The Company acknowledges and agrees that: (a) the Agent has not assumed and will not assume a fiduciary responsibility in favour of the Company with respect to the Offering contemplated hereby or the process leading thereto and the Agent does not have any obligation to the Company with respect to the Offering contemplated hereby except the obligations expressly set forth in this Agreement; (b) the Agent and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company; and (c) the Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Offering contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

22.6 Severability. The invalidity or unenforceability of any particular provision of this Agreement will not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

22.7 Successors and Assigns. The terms and provisions of this Agreement will be binding upon and enure to the benefit of the Company, the Agent and the Purchasers and their respective successors and permitted assigns; provided, however, that, except as provided herein, this Agreement will not be assignable by the Company without the prior written consent of the Agent, or by the Agent without the prior written consent of the Company.

22.8 Further Assurances. Each of the parties hereto will do or cause to be done all such acts and things and will execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

22.9 Effective Date. This Agreement is intended to and will take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

22.10 Counterparts and Facsimile Execution. This Agreement may be executed in any number of counterparts, which taken together will form one and the same agreement. This Agreement may be executed by one or more of the parties by facsimile transmitted signature or by e-mail in PDF format and all parties agree that the reproduction of signature by way of facsimile or by e-mail in PDF format will be treated as though such reproductions were executed originals.

22.11 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and the parties hereto attorn to the non-exclusive jurisdiction of the courts of such Province in connection with all matters arising hereunder.

[Signatures on following page]

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

Yours very truly,

GRAVITAS SECURITIES INC.

By: "Blayne Creed"

Name: Blayne Creed

Title: CEO

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

DATED as of November 9, 2020.

VICTORY SQUARE TECHNOLOGIES INC.

By: "*Shafin Diamond Tejani*"

Name: Shafin Diamond Tejani

Title: Chief Executive Officer

SCHEDULE "A"

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

As used in this Schedule "A", the following terms shall have the following meanings:

"Accredited Investor" has the meaning ascribed thereto in Rule 501(a) of Regulation D;

"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 "A", 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 Special Warrants, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Special Warrants;

"Disqualification Event" has the meaning set forth in Section A(10) below;

"Foreign Issuer" means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means any issuer which is (a) the government of any country other than the United States or of any political subdivision of a country other than the United States; or (b) a corporation or other organization incorporated or organized under the laws of any country other than the United States, 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 directly or indirectly owned of record by residents of the United States; and (2) any of the following; (i) the majority of the executive officers or directors 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, including, without limitation, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

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

"Qualified Institutional Buyer" means a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act, that is also an Accredited Investor;

"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;

“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. Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“U.S. Purchaser” means an original Purchaser of the Special Warrants that is an Accredited Investor or a Qualified Institutional Buyer who (a) is in the United States, (b) is purchasing such Special Warrants on behalf of, or for the account or benefit of, any person in the United States, (c) receives or received an offer to acquire such Special Warrants while in the United States, and (d) is in the United States at the time such person’s buy order was made or the Subscription Agreement pursuant to which such Special Warrants were acquired was executed or delivered; and

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

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

A. Representations, Warranties and Covenants of the Company

The Company represents and warrants to and covenants with the Agent, as at the date hereof and as at the Closing Date, that:

1. It is, and on the Closing Date will be, a Foreign Issuer with no Substantial U.S. Market Interest with respect to the Common Shares.
2. Except with respect to offers and sales of Special Warrants in accordance with this Schedule “A” (i) to U.S. Purchasers in reliance upon the exemption from the registration requirements of the U.S. Securities Act available pursuant to Rule 506(b) of Regulation D, and (ii) in an Offshore Transaction in reliance upon the exclusion from the registration requirements of the U.S. Securities Act available pursuant to Rule 903 of Regulation S, neither the Company nor any of its affiliates, nor any person acting on any of their behalf (other than the Agent, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty or covenant is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Special Warrants to a person in the United States; or (B) any sale of Special Warrants 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.

3. During the period in which the Special Warrants are offered for sale, none of the Company, its affiliates or any persons acting on any of their behalf (other than the Agent, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty or covenant is made) has made or will make any Directed Selling Efforts or has engaged or will engage in any form of General Solicitation or General Advertising or has acted in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in the United States with respect to the Special Warrants.
4. The Company is not, and as a result of the sales of the Special Warrants and the application of the proceeds thereof will not be, an “investment company”, as defined in the United States Investment Company Act of 1940, as amended, registered or required to be registered under such Act.
5. The Company has not sold, offered for sale or solicited any offer to buy and will not sell, offer for sale or solicit any offer to buy, during the period beginning six months prior to the start of the Offering of the Special Warrants and ending six months after the completion of the Offering of the Special Warrants, any of its securities in the United States in a manner that would be integrated with and would cause the exemption from registration provided by Rule 506(b) of Regulation D or the exclusion from registration provided by Rule 903 of Regulation S, to be unavailable with respect to offers and sales of the Special Warrants pursuant to this Schedule “A”.
6. None of the Company, its affiliates or any person on behalf of any of them (other than the Agent, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty or covenant is made) will take any action that would cause the exemptions or exclusions provided by Rule 903 of Regulation S or Rule 506(b) of Regulation D to be unavailable with respect to offers and sales of the Special Warrants to U.S. Purchasers pursuant to the Agency Agreement including this Schedule “A”.
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. None of the Company, its affiliates or any person on behalf of any of them (other than the Agent, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty or covenant is made) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.
9. The Company will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable state securities laws in connection with

the Offering, including filing a Form D with the SEC.

10. With respect to the Special Warrants to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D (the “**Regulation D Securities**”), none of the Company, any of its predecessors, any director, executive officer, other officer of the Company participating in the Offering, any beneficial owner of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power, nor 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 (each, an “**Issuer Covered Person**” and, together, “**Issuer Covered Persons**”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a “**Disqualification Event**”), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine (i) the identity of each person that is an Issuer Covered Person; and (ii) whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Agent a copy of any disclosures provided thereunder.

B. Representations, Warranties and Covenants of the Agent and the U.S. Affiliate

The Agent represents and warrants to and covenants and agrees with the Company as at the date hereof and as at the Closing Date, that:

1. It acknowledges that the Special Warrants have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold except pursuant to an exclusion or exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. It has offered and sold and will offer and sell the Special Warrants only (i) in an Offshore Transaction in accordance with Rule 903 of Regulation S, or (ii) in the United States as provided in this Schedule “A”. Accordingly, neither the Agent, nor its U.S. Affiliate, nor any persons acting on any of their behalf: (i) have engaged or will engage in any Directed Selling Efforts; or (ii) except as permitted by this Schedule “A”, have made or will make (x) any offers to sell, or any solicitation of an offer to buy, Special Warrants in the United States or (y) any sale of Special Warrants to any Purchaser unless, at the time the buy order was or is originated, the Purchaser was outside the United States, and not acting for the account or benefit of a person in the United States, or the Agent, the U.S. Affiliate, their respective affiliates or any person acting on any of their behalf reasonably believed that such Purchaser was outside the United States, and not acting for the account or benefit of a person in the United States.
2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Special Warrants, except with its U.S. Affiliate or with the prior written consent of the Company.
3. It shall require the U.S. Affiliate to agree, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that the U.S. Affiliate complies with, the provisions of this Schedule “A” as if such provisions applied to such U.S. Affiliate.

4. All offers of the Special Warrants in the United States for sale by the Company will be effected by the U.S. Affiliate in accordance with all applicable U.S. federal and state broker-dealer requirements. Such U.S. Affiliate is, and will be on the date of each offer or sale of Special Warrants in the United States, 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 of and in good standing with the Financial Industry Regulatory Authority, Inc.
5. Any offer, sale or solicitation of an offer to buy Special Warrants that has been made or will be made was or will be made only (i) in the United States to Accredited Investors and/or Qualified Institutional Buyers in transactions that are exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 506(b) of Regulation D and exempt from registration under all applicable state securities laws, and (ii) outside the United States in Offshore Transactions that are excluded from registration pursuant to Rule 903 of Regulation S.
6. Offers and sales of Special Warrants in the United States have not been and shall not be made 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.
7. At least one Business Day prior to the Closing Date, it shall provide the Company and its transfer agent with a list of all U.S. Purchasers of the Special Warrants, together with their addresses (including state of residence), the number of Special Warrants purchased and the registration and delivery instructions for the Special Warrants.
8. Prior to any sale by the Company of Special Warrants to U.S. Purchasers identified by it, the Agent shall cause each such U.S. Purchaser to execute and deliver to the Company, the Agent and the U.S. Affiliate, the Subscription Agreement, including Schedule "C" thereto (if applicable).
9. All U.S. Purchasers of the Special Warrants shall be informed that the Special Warrants have not been and will not be registered under the U.S. Securities Act and applicable state securities laws and are being offered and sold to such U.S. Purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D.
10. The Agent understands that all Special Warrants issued to U.S. Purchasers that are Accredited Investors (but not Qualified Institutional Buyers) in the Offering will be issued in definitive physical form and will bear a United States restrictive legend substantially in the form set forth in the Subscription Agreement.
11. None of the Agent, its U.S. Affiliate, their respective affiliates or any person acting on any of their behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.
12. With respect to Regulation D Securities, none of (i) the Agent or the U.S. Affiliate, (ii) the

Agent's or the U.S. Affiliate's general partners or managing members, (iii) any of the Agent's or the U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any of the Agent's or the U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Regulation D Securities 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 Regulation D Securities (each, a **"Dealer Covered Person"** and, collectively, the **"Dealer Covered Persons"**), is subject to any Disqualification Event except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of the U.S. Securities Act and (ii) a description of which has been furnished in writing to the Company prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the date of any offering of the Special Warrants. As of the Closing Date, the Agent is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Regulation D Securities.

13. At Closing, the Agent, together with the U.S. Affiliate, will provide a certificate, substantially in the form of Exhibit A to this Schedule A, relating to the manner of the offer and sale of the Special Warrants in the United States, or will be deemed to have represented that they did not offer or sell Special Warrants in the United States.

EXHIBIT A

AGENT'S CERTIFICATE

In connection with the private placement in the United States of special warrants (the "**Special Warrants**") of Victory Square Technologies Inc. (the "**Company**") pursuant to the agency agreement dated November 9, 2020 among the Company and the Agent named therein (the "**Agency Agreement**"), each of the undersigned does hereby certify to the Company as follows:

- (a) [●] (the "**U.S. Affiliate**") is, and at all relevant times was, a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and the date on which each offer was made by it in the United States, and all offers and sales of the Special Warrants in the United States have been effected by the U.S. Affiliate in compliance with all U.S. federal and state broker-dealer requirements;
- (b) immediately prior to making any offers to any offeree in the United States, we had reasonable grounds to believe and did believe that the offeree was an Accredited Investor or a Qualified Institutional Buyer, as applicable, and, on the date hereof, we continue to believe that each such offeree that is purchasing Special Warrants from us is an Accredited Investor or a Qualified Institutional Buyer, as applicable;
- (c) no form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act) was used by us, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media on the internet or broadcast over radio or 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 Special Warrants in the United States;
- (d) neither we nor any of our affiliates have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act with respect to the offer or sale of the Special Warrants;
- (e) the offering of the Special Warrants in the United States has been conducted by us in accordance with the terms of the Agency Agreement including Schedule "A" thereto;
- (f) all Purchasers of the Special Warrants in the United States or who were offered Special Warrants in the United States have been informed that the Special Warrants have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such Purchasers without registration in reliance the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D;
- (g) none of (i) the undersigned, (ii) the undersigned's general partners or managing members, (iii) any of the undersigned's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any of the undersigned's general partners' or managing members' directors, executive officers or other officers participating in the offering

of the Regulation D Securities 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 Regulation D Securities (each, a “**Dealer Covered Person**”), is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1) under Regulation D; and

- (h) the undersigned are 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 Special Warrants pursuant to Rule 506(b) of Regulation D.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein.

Dated this 9th day of November, 2020.

[NAME OF AGENT]

[NAME OF U.S. AFFILIATE]

By:

By:

Name:

Title:

Name:

Title:

SCHEDULE "B"**SUBSIDIARIES**

Name	Jurisdiction of Formation	Beneficial Equity/ Voting Ownership
VS Digital Health Inc.	British Columbia	100%
Draft Label Technologies Inc.	Canada (Federal)	100%
Fantasy 360 Technologies Inc.	British Columbia	100%
Victory Square Health Inc.	British Columbia	20%
V2 Games Inc.	British Columbia	100%
Victory Entertainment Inc.	British Columbia	100%
PDL USA Inc.	Delaware	100% (Indirectly held through Draft Label Technologies Inc.)

PORTFOLIO COMPANIES

Name	Jurisdiction of Formation	Beneficial Equity/ Voting Ownership
Aspen Technologies Inc.	British Columbia	20.33%
Cassia Research Inc., d/b/a CoPilot AI	British Columbia	23.1%
Could Benefit Solutions Inc., d/b/a Cloud Advisors	British Columbia	5%
MLVX Technologies Inc., d/b/a Compression.AI	British Columbia	5%
FansUnite Entertainment Inc.	British Columbia	18%
Flo Digital Inc.	British Columbia	49%
Grow Academy Technologies Inc.	British Columbia	25%
Howyl Ventures Inc., d/b/a Capaciti	British Columbia	28.5%
Multapplied Networks, Inc.	British Columbia	10%
Next Decentrum Technologies Inc.	British Columbia	25%

PayVida Solutions Inc.	British Columbia	31.35%
Shape Immersive Inc.	British Columbia	21%
Silota Research and Development Inc., d/b/a Covalent	British Columbia	12.5%
LocoNoco Inc., d/b/a Taloflow.AI	British Columbia	8.47%

SCHEDULE "C"

FORM OF LOCK-UP AGREEMENT

November ___, 2020

To: Gravitas Securities Inc. (the "Agent")

Re: Victory Square Technologies Inc. (the "Company")

Ladies and Gentlemen:

1. The undersigned understands that the Agent has entered into an agency agreement dated November ___, 2020 (the "**Agency Agreement**") with the Company in respect of an offering (the "**Offering**") of common shares of the Company.
2. Any capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Agency Agreement.
3. In consideration of the benefit that the Offering will confer upon the Company, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees not to directly or indirectly, offer, sell, assign, pledge, transfer, or otherwise dispose of any Shares (or securities convertible into Shares) owned, directly or indirectly, or under control or direction, or with respect to which the undersigned has beneficial ownership, on the date hereof or acquired after the date hereof (the "**Undersigned's Securities**"), in whole or in part, from the date hereof until the date which is 90 days following the Closing Date, without the prior written consent of Gravitas, such consent not to be unreasonably withheld. Any references in this lock-up agreement to the Undersigned's Securities shall also include any Shares received by the undersigned upon the exercise of the Undersigned's Securities.
4. Notwithstanding the foregoing, the undersigned may sell, transfer or otherwise dispose of the Undersigned's Securities without the prior written consent required by paragraph 3 above pursuant to: (i) the exercise of stock options or other similar issuances pursuant to any stock option plan or similar share compensation arrangements of the Company; (ii) the exercise of any convertible securities of the Company; (iii) a *bona fide* arm's length take-over bid or a similar acquisition transaction made generally to all holders of Shares of the Company; (iv) a sale, transfer, or other disposition to (a) a spouse, parent, child or grandchild of the undersigned (a "**Relation**"), (b) corporations, partnerships, limited liability companies or other entities, to the extent that such entities are wholly-owned by the undersigned, or (c) any trusts existing solely for the benefit of the undersigned and/or a Relation, solely to the extent that in clauses (a), (b) and (c), the recipient of the Undersigned's Securities executes an agreement stating that the transferee is receiving and holding such securities subject to the provisions of this lock-up agreement and there shall be no further transfer of such securities except in accordance with this lock-up agreement; (v) a pledge of the Undersigned's Securities to a bank or other financial institution for the purpose of giving collateral for a debt made in good faith, but solely to the extent that there shall be no further transfer of such securities except in accordance with this

lock-up agreement; or (vi) in order to satisfy a withholding tax obligation arising from a grant under the Company's stock option plan or share-based compensation plan.

5. The undersigned understands that the Company and the Agent are relying upon this lock-up agreement in proceeding toward consummation of the Offering. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding upon the undersigned's legal representatives, successors, and permitted assigns, and shall enure to the benefit of the Company, the Agent and their legal representatives, successors and permitted assigns.
6. The undersigned hereby represents and warrants that he or she has full power and authority to enter into this lock-up agreement, and that he or she will do all such acts and take all such steps as reasonably required in order to fully perform and carry out the provisions of this lock-up agreement. All authority herein conferred shall survive the death or incapacity of the undersigned.
7. This lock-up agreement will be governed by the laws of the Province of British Columbia and the laws of Canada applicable therein.
8. This lock-up agreement may be executed by counterpart signatures (including counterparts by facsimile or other means of electronic transmission), each of which shall constitute an original signature.

Yours truly,

NAME OF SECURITYHOLDER:

(Signature of Securityholder)

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

The Agent hereby acknowledges this lock-up agreement this _____ day of November, 2020.

GRAVITAS SECURITIES INC.

Per: _____
Authorized Signing Officer