UNDERWRITING AGREEMENT

March 12, 2018

Sunniva Inc.

1200 Waterfront Centre
200 Burrard Street, PO Box 48600
Vancouver, British Columbia
V7X 1T2
Attention: Dr. Anthony Holler, Chairman and Chief Executive Officer

Dear Sir:

Based on the terms and conditions set out below, Beacon Securities Limited ("**Beacon**") and Canaccord Genuity Corp. ("**Canaccord**", and together with Beacon, the "**Co-Lead Underwriters**"), and Bloom Burton Securities Inc. (collectively with the Co-Lead Underwriters, the "**Underwriters**" and each, an "**Underwriter**"), hereby severally (and not jointly or jointly and severally), in their respective percentages set out in Section 16(a) below, offer to purchase for resale from Sunniva Inc. (the "**Corporation**"), and the Corporation, by its acceptance of this offer agrees to issue and sell to the Underwriters, at the Closing Time (as hereinafter defined), an aggregate of 2,566,000 units (the "**Units**") of the Corporation at a purchase price of $9.75 per Unit (the "**Offering Price**") for an aggregate purchase price of $25,018,500 (the "**Offering**").

Each Unit shall be comprised of one common share of the Corporation (a "**Unit Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will be exercisable for one common share of the Corporation (a "**Warrant Share**") for a period of two years following the Closing Date (as hereinafter defined) at an exercise price of $12.50 per Warrant Share, subject to adjustment in certain events. 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 (as hereinafter defined). In case of any inconsistency between the description of the Warrants in this Agreement (as hereinafter defined) and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

The Corporation hereby grants the Underwriters an option (the "**Over-Allotment Option**"), which may be exercised in whole or in part, entitling the Underwriters to purchase that number of additional Units as is equal to up to an aggregate of 15% of the number of Units, being 384,900 additional Units (the "**Over-Allotment Units**"), purchased in the Offering at the Offering Price for additional gross proceeds of up to $3,752,775, upon the terms and conditions set forth herein. The Over-Allotment Option may be exercised at the Co-Lead Underwriters' sole discretion, to acquire: (i) up to an additional 384,900 Over-Allotment Units of the Corporation at the Offering Price; (ii) up to 384,900 additional Unit Shares (the "**Over-Allotment Shares**") at a price of $9.74 per Over-Allotment Share (the "**Over-Allotment Share Price**"); (iii) up to 192,450 additional Warrants (the "**Over-Allotment Warrants**") at a price of

$0.02 per Over-Allotment Warrant (the "**Over-Allotment Warrant Price**"); or (iv) any combination of Over-Allotment Units at the Offering Price, Over-Allotment Shares at the Over-Allotment Share Price and Over-Allotment Warrants at the Over-Allotment Warrant Price, provided that the aggregate number of Over-Allotment Shares which may be issued under the Over-Allotment Option does not exceed 384,900 and the aggregate number of Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 192,450. The Over-Allotment Option is exercisable by the Co-Lead Underwriters, giving notice to the Corporation at any time and from time to time up to 30 days following the Closing Date, which notice shall specify the number of Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants to be purchased. Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants may be purchased solely for the purpose of covering over-allotments made in connection with the Offering and for market stabilization. Unless the context otherwise requires, all references herein to the "Offering" shall be deemed to include the Over-Allotment Option and all references herein to the "Units" shall be deemed to include the Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants. If the Over-Allotment Option is exercised, delivery of the Over-Allotment Units will be made, and additional commissions and costs and expenses of the Underwriters will be paid, to the Underwriters against payment of the gross proceeds from the sale of such Over-Allotment Units.

The Units may be distributed in each of the provinces of British Columbia, Alberta and Ontario (the "**Qualifying Jurisdictions**") by the Underwriters pursuant to the Prospectus (as hereinafter defined) and may be offered and sold to or for the account or benefit of, persons in the United States or U.S. Persons (as defined in Schedule "A" hereto) only in accordance with Schedule "A" hereto, which is incorporated by reference herein and forms part of this Agreement. In particular, all offers of the Units to or for the account or benefit of, persons in the United States or U.S. Persons shall be through transactions that are exempt from the registration requirements of the U.S. Securities Act (as defined below) pursuant to the U.S. Private Placement Memorandum (as defined below), shall be made through a U.S. Affiliate (as defined in Schedule "A" hereto) of an Underwriter in accordance with Rule 144A (as defined in Schedule "A" hereto), shall first be purchased by an Underwriter or a U.S. Affiliate, acting as principal, shall be resold in accordance with Rule 144A, and shall be made in accordance with all applicable state securities Laws (as hereinafter defined). Subject to applicable Laws, including the U.S. Securities Act (as defined in Schedule "A" hereto) and the terms of this Agreement, the Units may also be distributed outside Canada and the United States where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdictions provided that the Corporation is provided notice of and consents to such sales and that no prospectus filing or comparable obligation arises and the Corporation does not thereafter become subject to continuous disclosure obligations in such jurisdictions.

In consideration of the agreement of the Underwriters to purchase the Units and to offer them to the public pursuant to the Prospectus, the Corporation agrees to pay to the Underwriters, at the Closing Time (as hereinafter defined), a fee equal to 6.0% of the Offering Price per Unit (the "**Underwriting Fee**"). The obligation of the Corporation to pay the Underwriting Fee shall arise at the Closing Time and the Underwriting Fee shall be fully earned by the Underwriters at that time. As additional compensation for the services provided, the Corporation will grant to the Underwriters, upon and subject to the provisions of Section 11 hereof, the Compensation Options (as hereinafter defined). At the Closing Time, the Corporation shall execute and deliver to the Underwriters (or their agents, as the case may be) the Compensation Option Certificates (as hereinafter defined).

The Underwriters shall be entitled (but not obligated) in connection with the Offering to retain as sub-agents other registered securities dealers and may receive subscriptions for Units from subscribers from other registered dealers, at no additional cost to the Corporation. The fee payable to any such Selling Firm (as hereinafter defined) shall be for the account of the Underwriters.

The following are the terms and conditions of the agreement between the Corporation and the Underwriters:

Section 1 Definitions and Interpretation

(a) In this Agreement:

"**A1 Perez Licenses**" mean the temporary licenses from the State of California Department of Public Health Manufactured Cannabis Safety Branch for its extraction facility for volatile and non-volatile extration;

"**ACMPR**" means the Access to Cannabis for Medical Purposes Regulations (formerly the Marihuana for Medical Purposes Regulations), promulgated under the Controlled Drugs and Substances Act S.C. 1996, c. 19 as the same may be amended from time to time and includes all notices, guidance, guidelines and ancillary rules or regulations promulgated thereunder or in connection therewith;

"**affiliate**", "**associate**", "**distribution**", "**material change**", "**material fact**", "**misrepresentation**" and "**person**" have the respective meanings given to them in the British Columbia Act;

"**Agreement**" means this Underwriting Agreement and not any particular article or section or other portion except as may be specified and words such as "hereof", "hereto", "herein" and "hereby" refer to this Agreement as the context requires;

"**Business Assets**" means all tangible and intangible property and assets owned (either directly or indirectly), leased, licensed, loaned, operated or used, including all Permits, real property, fixed assets, facilities, equipment, inventories and accounts receivable, by the Corporation and the Subsidiaries in connection with their respective businesses;

"**Business Day**" means any day, other than a Saturday or Sunday, on which the chartered banks in Vancouver, British Columbia, and Toronto, Ontario are open for commercial banking business during normal banking hours;

"**British Columbia Act**" means the *Securities Act* (British Columbia);

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published policy statements, blanket orders, instruments and notices of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement;

"**Canopy Growth Agreement**" means the definitive supply agreement between the Corporation and Canopy Growth Corporation dated February 20, 2018, whereby the Corporation, through Sunniva Medical Inc., committed to sell Canopy Growth Corporation 45,000 kilograms of premium quality cannabis annually over an initial two-year period commencing in calendar Q1 2019;

"**Cathedral City Lease**" means the Conditional Build to Suit Lease Agreement between Sunniva Production Campus, LLC and CP Logistics, LLC dated October 20, 2017 with respect to the property at 69375 Ramon Road, Cathedral City, CA, 92234;

"**Cathedral City Licenses**" means that certain medical marijuana cultivation license nos. MCL-16, 017, 024, 025, 043, 044, 045, 046, 047, 048, 049, 050, 051, 052, 053, 054, 055 and 056, and

medical marijuana dispensing license no. MCL-16-016, and medical marijuana manufacturing license no. MCL-16-032, in each case issued by the city of Cathedral City, California;

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

"**Claims**" has the meaning given to that term in Section 13(a) of this Agreement.

"**Closing**" means, with respect to the Units, the completion of the issue and sale by the Corporation of the Units pursuant to this Agreement;

"**Closing Date**" means March 27, 2018 or such other date as the Corporation and the Co-Lead Underwriters may agree in writing, each acting reasonably;

"**Closing Time**" means 8:30 a.m. (Toronto time) on the Closing Date;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Compensation Options**" shall have the meaning ascribed thereto in Section 11 hereof;

"**Compensation Option Certificates**" means the definitive certificates issued to the Underwriters (or any soliciting group member, if any) on the Closing Date, in a form to be agreed upon by the Corporation and the Co-Lead Underwriters, each acting reasonably;

"**Compensation Shares**" shall have the meaning ascribed thereto in Section 11 hereof;

"**Continuing Underwriters**" has the meaning given to that term in Section 16(b) of this Agreement;

"**Corporation**" has the meaning given to that term in the first paragraph of this Agreement;

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

"**Defaulted Securities**" has the meaning given to that term in Section 16(b) of this Agreement;

"**Documents Incorporated by Reference**" means all financial statements, management information circulars, annual information forms, material change reports, business acquisition reports, Marketing Materials, prospectuses (or excerpts therefrom) or other documents filed by the Corporation, whether before or after the date of this Agreement, that are incorporated by reference, or that are required by applicable Canadian Securities Laws to be incorporated by reference into, the Preliminary Prospectus, the Prospectus or any Supplementary Material, as applicable;

"**Employee Plans**" has the meaning given to that term in Section 7(ee) of this Agreement;

"**Engagement Letter**" means the engagement letter dated as of March 6, 2018 signed by Beacon and accepted by the Corporation, as amended on March 6, 2018;

"**Final Receipt**" means a receipt for the Prospectus issued in accordance with the Passport System and by the Ontario Securities Commission;

"**Financial Statements**" means the financial statements of the Corporation included in the Documents Incorporated by Reference, including the notes to such statements and the related auditors' report on such statements, prepared in accordance with international financial reporting standards as in force at the applicable time;

"**Governmental Authority**" means and includes, without limitation, any national, 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, including Health Canada, the Bureau of Medical Cannabis Regulation (California), the Cannabis Licensing Division of California Department of Food and Agriculture, and Cathedral City, California;

"**Indemnified Party**" has the meaning given to that term in Section 13(a) of this Agreement;

"**Intellectual Property**" has the meaning given to that term in Section 7(ss) of this Agreement;

"**Laws**" means Canadian Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term "applicable" with respect to such Laws and in the context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

"**Marketing Materials**" has the meaning given to it in NI 41-101;

"**Material Adverse Effect**" or "**Material Adverse Change**" means any change, event, violation, inaccuracy, circumstance, development or effect that is materially adverse to the business, assets (including intangible assets), capitalization, liabilities (contingent or otherwise), condition (financial or otherwise), prospects or results of operations of the Corporation and its Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business;

"**Material Contract**" means any and all contracts, commitments, agreements (written or oral), instruments, leases or other documents, including Permits, supply agreements, distribution agreements, sales agreements, or any similar type agreement, to which the Corporation or any Subsidiary is a party or to which their Business Assets are otherwise bound, and which is material to the Corporation and the Subsidiaries on a consolidated basis, including, but not limited to the Canopy Growth Agreement, the Cathedral City Lease and the agreements identified as "Material Contracts" in the Offering Documents;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*;

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

"**NP 11-202**" means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

"**Offering**" has the meaning given to that term in the first paragraph of this Agreement;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Prospectus, any Supplementary Material and, if applicable, the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum;

"**Passport System**" means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102 – *Passport System* adopted by the Securities Commissions (other than the Ontario Securities Commission);

"**Permits**" means all licences, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or otherwise), including the Cathedral City Licenses and the A1 Perez Licenses;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation dated March 12, 2018 including all Documents Incorporated by Reference, approved, signed and certified in accordance with Canadian Securities Laws, relating to the qualification for distribution of the Units under applicable Canadian Securities Laws;

"**Preliminary Receipt**" means a receipt for the Preliminary Prospectus issued in accordance with the Passport System and by the Ontario Securities Commission;

"**Preliminary U.S. Placement Memorandum**" means the preliminary U.S. private placement memorandum and any amendments thereto, including the Preliminary Prospectus;

"**Prospectus**" means the (final) short form prospectus of the Corporation, including all Documents Incorporated by Reference, to be approved, signed and certified in accordance with the Canadian Securities Laws, relating to the qualification for distribution of the Units under applicable Canadian Securities Laws;

"**Qualifying Jurisdictions**" has the meaning given to that term in the fourth paragraph of this Agreement;

"**Refusing Underwriter**" has the meaning given to that term in Section 16(b) of this Agreement;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Commissions**" means collectively, the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

"**Selling Firm**" has the meaning given to it in Section 4(a) of this Agreement;

"**standard term sheet**" has the meaning ascribed thereto under NI 41-101;

"**Subsidiaries**" means, collectively, Sunniva Medical Inc.; CP Logistics, LLC; Natural Health Services Ltd.; Sun CA Holdings, Inc.; Sun Holdings Management, LLC; Sunniva Full Scale Distributors Corporation; Full-Scale Distributors, LLC; 1964433 Alberta Ltd.; Sunny People, LLC; A1 Perez, LLC; and "**Subsidiary**" means any one of them;

"**Supplementary Material**" means, collectively, (i) any amendment to the Preliminary Prospectus or the Prospectus, or any amended or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under the Canadian Securities Laws relating to the qualification for distribution of the Units under applicable Canadian Securities Laws, and (ii) any amendment to the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum or any amended or supplemental placement memorandum or ancillary materials that may be circulated to prospective substituted purchasers;

"**Transfer Agent**" means Computershare Investor Services Inc.;

"**Underlying Securities**" means, collectively, the Unit Shares and the Warrants comprising the Units, the Warrant Shares issuable upon exercise of the Warrants, the Compensation Options and the Compensation Shares;

"**Underwriters**" or "**Underwriter**" has the meaning given to that term in the first paragraph of this Agreement;

"**Underwriting Fee**" has the meaning given to that term in the fifth paragraph of this Agreement;

"**Unit Shares**" has the meaning given to that term in the second paragraph of this Agreement;

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

"**Units**" has the meaning given to that term in the first paragraph of this Agreement;

"**U.S. Placement Memorandum**" means the U.S. private placement memorandum and any amendments thereto, including the Prospectus;

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

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

"**U.S. Securities Laws**" means the United States federal securities laws, including, without limitation, the U.S. Securities Act and the U.S. Exchange Act, and applicable state securities laws;

"**Warrant Agent**" means the warrant agent for the Warrants;

"**Warrant Indenture**" means the warrant indenture to be dated as of the Closing Date between the Corporation and the Warrant Agent, in a form to be agreed upon by the Corporation and the Co-Lead Underwriters, each acting reasonably; and

"**Warrants**" means the common share purchase warrants of the Corporation partially comprising the Units.

(b) All capitalized terms used but not otherwise defined herein have the meanings given to them in the Prospectus.

(c) The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or the interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement.

(d) Unless otherwise expressly provided in this Agreement, (i) words importing only the singular number include the plural and vice versa and words importing gender include all genders; and (ii) all references to dollars or "$" are to Canadian dollars.

(e) The phrase "to the knowledge of the Corporation" means a statement as to the actual knowledge of each of Dr. Anthony Holler, Chairman and Chief Executive Officer of the Corporation, Leith Pedersen, Director, President and Chief Strategy Officer of the Corporation, David Negus, Chief

Financial Officer of the Corporation, Benjamin Rootman, Vice President, Legal, Compliance and Regulatory Affairs and Corporate Secretary of the Corporation and Duncan Gordon, Chief Operating Officer of the Corporation, about the facts and circumstances to which such phrase related, but does not include the knowledge to awareness of any other individual or any other constructive, implied or imputed knowledge (and for greater certainty, the use of such term will not create personal liability for such persons).

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

Schedule "A" - Terms and Conditions for United States Offers and Sales

Section 2 Compliance with Laws

(a) The Corporation covenants with the Underwriters that: (i) the Corporation shall, no later than March 12, 2018, file the Preliminary Prospectus, in form and substance satisfactory to the Underwriters, with the Securities Commissions under the Canadian Securities Laws pursuant to the Passport System and NP 11-202 and shall designate the Province of British Columbia as the designated and principal jurisdiction thereunder, together with the required supporting documents, and (ii) following receipt of the Preliminary Receipt, the Corporation shall use commercially reasonable efforts to resolve all comments received or deficiencies raised by the Securities Commissions and prepare and file the Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, with the Securities Commissions under the Canadian Securities Laws, together with the required supporting documents, and will obtain the Final Receipt from the British Columbia Securities Commission, as principal regulator, as soon as possible after the filing of the Prospectus, and, in any event, use its commercially reasonable efforts to obtain such document by no later than 5:00 p.m. (Toronto time) on March 19, 2018 (or such other time and/or date as the Corporation and the Underwriters may agree, acting reasonably) and the Corporation will use commercially reasonable efforts to fulfill and comply with, to the satisfaction of the Underwriters, acting reasonably, the Canadian Securities Laws and U.S. Securities Laws required to be fulfilled or complied with by the Corporation to enable the Units to be lawfully distributed in such jurisdictions through the Underwriters or their respective affiliates or any other investment dealers or brokers registered in such jurisdictions as contemplated therein.

(b) Prior to the distribution of the Units:

(i) the Corporation and Beacon, on behalf of the Underwriters, as contemplated by Canadian Securities Laws, shall approve in writing a template version of any Marketing Materials reasonably requested to be provided by the Underwriters to any such potential investor in Units, such Marketing Materials to comply with Canadian Securities Laws prior to the time such Marketing Materials are provided to potential investors in Units;

(ii) the Corporation shall file a template version of any Marketing Materials on SEDAR as soon as reasonably practicable after such Marketing Materials are so approved in writing by the Corporation and Beacon; and

(iii) following, but not before, the approvals set forth in Section 2(b)(i), the Underwriters may provide a limited-use version of such Marketing Materials to potential investors in Units in accordance with Canadian Securities Laws.

(c) The Corporation and the Underwriters, on a several basis, covenant and agree, during the distribution of the Units:

(i) not to provide any potential investor of Units with any Marketing Materials unless a template version of such materials has been filed by the Corporation with the Securities Commissions on or before the day such Marketing Materials are first provided to any potential investor of Units; and

(ii) not to provide any potential investor with any materials or information in relation to the distribution of the Units or the Corporation, other than: (A) such Marketing Materials that have been approved and filed in accordance with Section 2(b); and (B) the Prospectus.

(d) Each purchaser who is resident in a Qualifying Jurisdiction shall purchase pursuant to the Prospectus. Each other purchaser not resident in a Qualifying Jurisdiction shall purchase only on a private placement basis in accordance with such procedures as the Corporation and the Underwriters may mutually agree, acting reasonably, in order to fully comply with applicable Laws and the terms of this Agreement (Section 4(b) with respect to offers and sales in jurisdictions other than the Qualifying Jurisdictions and including Schedule "A" hereto with respect to offers and sales in the United States or to or for the account or benefit of, persons in the United States or U.S. Persons). The Corporation hereby agrees to ensure compliance by the Corporation with all applicable Canadian Securities Laws on a timely basis in connection with the distribution of the Units to purchasers resident in the Qualifying Jurisdictions and to take or cause to be taken all steps and proceedings required under U.S. Securities Laws to offer and sell the Units in accordance with Schedule "A" hereto provided the Underwriters comply with their obligations hereunder. The Corporation also agrees to file within the periods stipulated under applicable Laws and at the Corporation's expense all private placement forms required to be filed by the Corporation in connection with the Offering and pay all filing fees required to be paid in connection therewith so that the distribution of the Units outside of Canada may lawfully occur without the necessity of filing a prospectus or any similar document under the applicable Laws outside of Canada.

Section 3 Due Diligence

(a) Prior to the filing of each of the Preliminary Prospectus, the Prospectus and any Supplementary Material, the Corporation shall allow and assist the Underwriters and their counsel to participate fully in the preparation of, and to approve the form of, each of the Preliminary Prospectus, the Prospectus and any Supplementary Material, and to review all Documents Incorporated by Reference, and during the course of the Offering, shall allow the Underwriters to conduct all due diligence investigations which the Underwriters may reasonably require to fulfil their obligations as underwriters and to execute the certificate required of them in each of the Preliminary Prospectus and the Prospectus.

(b) The Underwriters, their counsel and their other professional advisors shall have the right to conduct such due diligence with respect to the Corporation as the Underwriters and their counsel may reasonably determine in order to enable the Underwriters responsibly to execute any certificate related to such documents required to be executed by them under applicable Canadian Securities Laws, including, without limitation, meeting with the senior management, counsel and independent auditors and/or consultants of the Corporation as the Underwriters may deem appropriate, acting reasonably, prior to the Closing. The Corporation shall also use commercially reasonable efforts to ensure that the auditors of the Corporation and any other advisors and/or consultants, as may be determined by the Underwriters acting reasonably, are able to attend at due diligence sessions to be held by the Underwriters as the Underwriters may reasonably

request. In addition to any due diligence meetings, the Corporation agrees to make its senior management personnel available to meet with potential institutional investors as part of a "road show" (as defined in NI 41-101) if requested by the Co-Lead Underwriters. At any date up to the later of the Closing Date and the date of completion of the distribution of the Units, the Corporation shall allow each of the Underwriters to conduct any due diligence investigations that any of them reasonably requires to confirm that it continues to have reasonable grounds for the belief that the Offering Documents do not contain a misrepresentation as at such date or as at the date of such Offering Documents or, for purposes of U.S. Securities Laws, do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make statements therein, in light of the circumstances under which they were made, not misleading as at such date or as at the date of such Offering Documents. All information furnished to the Underwriters and its legal advisors and representatives in connection with the Underwriters' due diligence investigation will be treated by the Underwriters and their legal counsel and representatives as strictly confidential and will be used only in connection with the Underwriters' engagement under this Agreement.

(c) The Corporation agrees to use reasonable commercial efforts to enable the Corporation's auditors to provide the usual certificates and long-form comfort letter to the Underwriters and to attend and participate in any due diligence teleconference or meeting with the Underwriters, as prescribed by Section 3(a) hereof, including, if necessary, retaining at the Corporation's expense, the Corporation's auditors to conduct a review of the unaudited financial statements of the Corporation, and the review of any such other materials deemed necessary by the Corporation's auditors to enable their participation in any due diligence teleconference or meeting requested by the Underwriters.

Section 4 Distribution and Certain Obligations of Underwriters

(a) The Underwriters shall, and shall require any investment dealer or broker (other than the Underwriters) with which the Underwriters have a contractual relationship in respect of the distribution of the Units (each, a "**Selling Firm**") to agree to, comply with applicable Laws, including Canadian Securities Laws and U.S. Securities Laws, in connection with the distribution hereof and shall offer the Units for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Offering Documents and this Agreement. The Underwriters (or, as applicable, their U.S. Affiliates) shall, and shall require any Selling Firm to, offer for sale to the public and sell the Units only in those jurisdictions where they may be lawfully offered for sale or sold, provided such Underwriter (or, as applicable, their U.S. Affiliates) or Selling Firm is appropriately registered in such jurisdiction. The Underwriters shall: (i) use all reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Units as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in their opinion, the Underwriters and the Selling Firms have ceased distribution of the Units and provide a breakdown of the number of Units distributed in each of the Qualifying Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the Securities Commissions.

(b) The Underwriters (or, as applicable, their U.S. Affiliates) shall, and shall require any Selling Firm to agree to, distribute the Units in a manner which complies with and observes all applicable Laws in each jurisdiction into and from which they may offer to sell the Units or distribute the Prospectus, any Marketing Materials or any Supplementary Material in connection with the distribution of the Units and will not, directly or indirectly, offer, sell or deliver any Units or deliver the Prospectus, any Marketing Materials or any Supplementary Material to any person in any jurisdiction other than in the Qualifying Jurisdictions except in a manner which will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar requirements under the applicable Laws of such other jurisdictions or pay any

unreasonable filing fees which relate to such other jurisdictions. Subject to the foregoing, the Underwriters (or, as applicable, their U.S. Affiliates) and any Selling Firm shall be entitled to offer and sell the Units in the United States, or to or for the account or benefit of, persons within the United States or U.S. Persons solely pursuant to an applicable exemption or exemptions from the registration requirements of the U.S. Securities Act and in other jurisdictions in accordance with any applicable Laws in the jurisdictions in which the Underwriters and/or Selling Firms offer the Units. Any offer or sale of the Units in the United States, or to or for the account or benefit of, persons within the United States or U.S. Persons will be made in accordance with Schedule "A" hereto.

(c) For the purposes of this Section 4, the Underwriters shall be entitled to assume that the Units are qualified for distribution in any Qualifying Jurisdiction where a receipt or similar document for the Prospectus shall have been obtained from the applicable Securities Commission (including the Final Receipt for the Prospectus issued under the Passport System and NP 11-202) following the filing of the Prospectus, unless otherwise notified in writing.

(d) The Corporation and the Underwriters agree that Schedule "A" hereto entitled "Terms and Conditions for United States Offers and Sales" is incorporated by reference in and shall form part of this Agreement.

(e) Notwithstanding the foregoing provisions of this Section 4, an Underwriter will not be liable to the Corporation under this Section 4 with respect to a default under this Section 4 or Schedule "A" hereto by another Underwriter or another Underwriter's U.S. Affiliate, or by a Selling Firm appointed by another Underwriter, as the case may be, but only for a default under this Section 4 or Schedule "A" by itself or any Selling Firm appointed by such Underwriter.

Section 5 Conditions of the Offering

The Underwriters' obligations under this Agreement to purchase the Units are subject to the representations and warranties of the Corporation contained in this Agreement being 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 of the date of this Agreement and as of the Closing Time, the performance by the Corporation of its obligations under this Agreement and each of the following conditions:

(a) the Preliminary Prospectus and the Prospectus having been signed and certified on behalf of the Corporation and filed with the Securities Commissions in accordance with Canadian Securities Laws and a receipt having been obtained therefor by the Corporation from the British Columbia Securities Commission, as principal regulator, evidencing that a receipt has been issued with respect to the Preliminary Prospectus and the Prospectus from each of the Securities Commissions;

(b) receipt of evidence by the Underwriters, in a form acceptable to the Underwriters, acting reasonably, that all actions required to be taken by or on behalf of the Corporation, including the passing of all requisite resolutions of the directors of the Corporation, having been taken so as to approve the execution and delivery of this Agreement, the Warrant Indenture and the Compensation Option Certificates and the Offering Documents, as applicable, and the distribution of the Units without restriction;

(c) the Corporation delivering to the Underwriters, at the Closing Time, a certificate dated the Closing Date addressed to the Underwriters and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation (or such other officers of the Corporation as are agreed to by the Corporation and Beacon), in a form satisfactory to Beacon, acting reasonably, certifying for

and on behalf of the Corporation and without personal liability, after having made due enquiries and after having carefully examined the Prospectus and any Supplementary Material, that:

(i) the Corporation has complied in all material respects (except where already qualified by materiality, in which case the Corporation 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 Corporation 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 Corporation contained in this Agreement and any certificate of the Corporation 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 the Closing Time, after giving effect to the transactions contemplated by this Agreement;

(iii) the Final Receipt has been issued and no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Common Shares or any other securities of the Corporation has been issued by any Governmental Authority and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Canadian Securities Laws or U.S. Securities Laws or by any Governmental Authority;

(iv) since the respective dates as of which information is given in the Prospectus: (A) there has been no material change affecting the Corporation on a consolidated basis, and (B) no transaction has been entered into by the Corporation other than in the ordinary course of business, which is material to the Corporation on a consolidated basis, other than to be disclosed in the Prospectus or any Supplementary Material, as the case may be; and

(v) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact or a new material fact) contained in the Prospectus which material fact or change is of such a nature as to render any statement in the Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Prospectus;

(d) the Underwriters receiving, at the Closing Time, a legal opinion dated the Closing Date, to be addressed to the Underwriters, in form and substance acceptable to the Underwriters acting reasonably, of counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to the Underwriters and may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, public and exchange officials or of the auditors or transfer agent of the Corporation), with respect to the following matters:

(i) that the Corporation is a reporting issuer not in default of any requirement of the Canadian Securities Laws and the regulations thereunder;

(ii) that the Corporation is a company incorporated under the laws of Canada and has the corporate power and capacity to own or lease its properties and assets, carry on its business as it is currently conducted, and to execute, deliver and perform its obligations under this Agreement, the Warrant Indenture and the Compensation Option Certificates;

(iii) as to the authorized share capital of the Corporation;

(iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of each of the Preliminary Prospectus and the Prospectus and the filing thereof under Canadian Securities Laws in each of the Qualifying Jurisdictions;

(v) that all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement, the Warrant Indenture and the Compensation Option Certificates and the performance of the Corporation's obligations hereunder and thereunder and this Agreement, the Warrant Indenture and the Compensation Option Certificates have each been duly authorized, executed and delivered by the Corporation, and each constitutes a legal, valid and binding agreement of the Corporation, enforceable against the Corporation in accordance with the terms thereof, subject to customary limitations on enforceability;

(vi) the execution and delivery of this Agreement, the Warrant Indenture and the Compensation Option Certificates and the performance of the Corporation's obligations hereunder and thereunder do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with: (A) any of the terms, conditions or provisions of the articles or by-laws of the Corporation; or (B) the *Canada Business Corporations Act* and all regulations thereunder and any securities Laws having force in the Province of British Columbia;

(vii) that all necessary forms have been filed with the CSE to effect the issuance and listing of the Unit Shares, the Warrant Shares (issuable upon the exercise of the Warrants) and the Compensation Shares (issuable upon the exercise of the Compensation Options) being issued and sold pursuant to the Offering, subject to the satisfaction of standard listing conditions of the CSE;

(viii) that all necessary corporate action has been taken by the Corporation to authorize the issuance of the Unit Shares, Warrants and the Compensation Options;

(ix) that the Warrants and the Compensation Options have been validly created and issued by the Corporation;

(x) that upon the payment of the Offering Price therefor, the Unit Shares partially comprising the Units will be duly and validly issued as fully paid and non-assessable Common Shares;

(xi) that the Warrant Shares issuable upon the exercise of the Warrants have been authorized and allotted for issuance and, upon the due exercise of the Warrants in accordance with the terms thereof, will be validly issued as fully paid and non-assessable Common Shares;

(xii) that the Compensation Shares issuable upon the exercise of the Compensation Options have been authorized and allotted for issuance and, upon the due exercise of the Compensation Options in accordance with the provisions thereof, will be validly created and issued, as applicable;

(xiii) that all necessary documents have been filed, all requisite proceedings have been taken and all approvals, permits and consents of the appropriate regulatory authority in each of the Qualifying Jurisdictions have been obtained by the Corporation to qualify the distribution to the public of the Units in each of the Qualifying Jurisdictions through

persons who are registered under applicable Canadian Securities Laws and who have complied with the relevant provisions of applicable Canadian Securities Laws;

(xiv) that the statements set forth in the Prospectus under the caption "Eligibility for Investment" and "Canadian Federal Income Tax Considerations" in the Prospectus are accurate, subject to the limitations and qualifications set out therein;

(xv) that the attributes of the Unit Shares, Warrants and Compensation Options are consistent in all material respects with the description thereof in the Prospectus; and

(xvi) that the Transfer Agent, at its office in the City of Calgary, has been duly appointed as the transfer agent and registrar for the Common Shares and the Warrant Agent has been duly appointed as warrant agent in respect of the Warrants;

(e) if any Units are sold in the United States, or to or for the account or benefit of, persons within the United States or U.S. Persons, and if requested by the Underwriters, the Underwriters receiving, at the Closing Time on the Closing Date, a legal opinion dated as of the Closing Date, to be addressed to the Underwriters, in form and substance acceptable to the Underwriters, acting reasonably, of United States legal counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, public and exchange officials or of the auditors or transfer agent of the Corporation), to the effect that the offer and sale of the Units in the United States, or to or for the account or benefit of, persons within the United States or U.S. Persons is not required to be registered under the U.S. Securities Act, provided such offers and sales are made in accordance with Schedule "A" hereto; it being understood that such counsel need not express its opinion with respect to any resale of the Units;

(f) the Underwriters receiving at the Closing Time on the Closing Date, legal opinions to be addressed to the Underwriters, in form and substance acceptable to the Underwriters, from each of the Subsidiaries' respective counsel (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, public and exchange officials or of the auditors or transfer agent of each Subsidiary, as applicable), that (A) the Subsidiary is a corporation existing under the laws of its jurisdiction of incorporation or amalgamation, as the case may be, and has all requisite corporate capacity, power and authority to carry on its business as now conducted and to own, lease and operate its property and assets; and (B) the issued and outstanding shares of capital of such Subsidiary are registered as set out in the Offering Documents;

(g) the Underwriters receiving at the Closing Time on the Closing Date, legal opinions to be addressed to the Underwriters, in form and substance acceptable to the Underwriters, from the Corporation's regulatory counsel to the effect that the Corporation and CP Logistics, LLC and A1 Perez, LLC are in compliance with applicable state cannabis laws in the United States in a form materially similar to that delivered to Canaccord and Beacon at the time of the Corporation's initial public offering;

(h) the Underwriters receiving at the Closing Time a certificate, dated as of the Closing Date, signed by an officer of the Corporation, in a form satisfactory to the Co-Lead Underwriters, acting reasonably, certifying for and on behalf of the Corporation and without personal liability, with respect to:

(i) the constating documents and articles of the Corporation;

(ii) the resolutions of the board of directors of the Corporation relevant to the issue and sale of the Units and the authorization of the other agreements and transactions contemplated herein; and

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

(i) the Unit Shares, the Warrant Shares (issuable upon the exercise of the Warrants) and the Compensation Shares (issuable upon the exercise of the Compensation Options) issued pursuant to the Offering being approved for listing on the CSE, subject only to the standard listing conditions of the CSE;

(j) the Underwriters receiving at the Closing Time on the Closing Date comfort letters dated as of the Closing Date from the auditors of the Corporation, in form and substance satisfactory to the Underwriters, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 9(a) hereof;

(k) the Underwriters receiving a lock-up agreement from each of the officers, directors and principal shareholders of the Corporation as set out in Section 8(y) herein; and

(l) the Underwriters receiving such other documents or opinions as the Underwriters may reasonably request, in each case in a form customary for transactions of this nature and all in a form satisfactory to the Underwriters, each acting reasonably; *provided that*, Beacon will provide written notice of any such request for documents and opinions not explicitly contemplated by this Agreement at least three Business Days prior to the Closing Date.

Section 6 Representations as to Offering Documents

Filing and delivery to the Underwriters in accordance with this Agreement of any Offering Document shall constitute a representation and warranty by the Corporation to the Underwriters that, as at their respective dates, dates of filing and dates of delivery:

(a) the information and statements (except information and statements relating solely to the Underwriters, which have been provided by the Underwriters to the Corporation in writing specifically for use in any of the Offering Documents (collectively, "**Underwriters' Information**")) contained in such Offering Documents are true and correct and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Units as required to be disclosed therein by applicable Canadian Securities Laws;

(b) no material fact or information has been omitted from such disclosure (except for Underwriters' Information) that is required to be stated in such disclosure or that is necessary to make a statement contained in such disclosure not misleading in the light of the circumstances under which it was made;

(c) if applicable, the information and statements (except for Underwriters' Information) contained in the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum, as applicable, including, without limitation, the documents incorporated or deemed to be incorporated by reference therein, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the information presented and the statements made, in the light of the circumstances under which they were presented or made, not misleading, within the meaning of the U.S. Securities Laws; and

(d) except with respect to any Underwriters' Information, such documents comply in all material respects with the requirements of Canadian Securities Laws (including Canadian Securities Administrators Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*) and any applicable U.S. Securities Laws.

Such filings shall also constitute the Corporation's consent to the Underwriters' use of the Preliminary Prospectus, the Prospectus and any Supplementary Material in connection with the distribution of the Units in the Qualifying Jurisdictions in compliance with this Agreement and Canadian Securities Laws and, if applicable, the use of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum for offers and sales of the Units in the United States, or to or for the account or benefit of, persons within the United States or U.S. Persons pursuant to Rule 144A.

Section 7 Additional Representations and Warranties of the Corporation

The Corporation hereby represents and warrants to the Underwriters and acknowledges that the Underwriters are relying upon such representations and warranties in purchasing the Units that:

(a) the Corporation and each of the Subsidiaries has been duly incorporated and organized and is validly existing as a corporation under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, as the case may be, and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing the dissolution or winding up of the Corporation or any of the Subsidiaries;

(b) the Corporation and each of the Subsidiaries is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets requires such qualification (except for such jurisdictions where the failure to be so qualified would not result in a Material Adverse Effect) and has all requisite corporate power and authority to conduct its business and to own, lease and operate its properties and assets and the Corporation has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement, the Warrant Indenture, the Compensation Option Certificates and any other document, filing, instrument or agreement delivered in connection with the Offering;

(c) neither the Corporation nor any of the Subsidiaries is: (i) in violation of its constating documents, or (ii) to the knowledge of the Corporation in default of the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, trust deed, joint venture, mortgage, loan agreement, note, lease or other agreement or instrument to which it is a party or by which it or its property may be bound, except in the case of clause (ii) for any such violations or defaults that would not result in a Material Adverse Effect;

(d) the Corporation has no direct or indirect material subsidiaries other than the Subsidiaries, nor any investment in any person, which, for the interim period ended September 30, 2017 accounted for more than five percent of the assets or revenues of the Corporation or would otherwise be material to the business and affairs of the Corporation. Except as disclosed in the Offering Documents, the Corporation owns, directly or indirectly, all of the issued and outstanding shares of its Subsidiaries, all of the issued and outstanding shares of the Subsidiaries of the Corporation are issued as fully paid and non-assessable shares, free and clear of all Liens whatsoever, and no person, firm or corporation has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Corporation or any of the Subsidiaries of the Corporation of any interest in any of the shares in the capital of the Subsidiaries of the Corporation;

(e) other than in respect of certain United States federal laws relating to the cultivation, distribution or possession of marijuana in the United States as disclosed in the Offering Documents and other related judgments, orders or decrees, the Corporation and the Subsidiaries: (i) each conducted and have each been conducting their business in compliance in all material respects with all applicable federal laws, rules and regulations and the laws, rules and regulations of each state and local jurisdiction in which its business is carried on or in which its services are provided and has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, rules or regulations, and (ii) are not in breach or violation of any judgment, order or decree of any Governmental Authority having jurisdiction over the Corporation or any of the Subsidiaries, as applicable, other than where such breach or violation would not have a Material Adverse Effect;

(f) the Corporation: (i) does not and will not invest or engage (directly or indirectly) in any business or activity that is focused on serving the medical or non-medical marijuana market in any state of the United States unless and until such time as those businesses or activities are legal under applicable state laws in the United States; (ii) does not and will not invest or engage (directly or indirectly) in any business or activity that is focused on serving the medical or non-medical marijuana market in Canada or internationally (excluding the United States) unless and until such time as those businesses or activities are or become legal under applicable laws in Canada or in the respective international jurisdiction; and (iii) does not and will not specifically target or derive (or reasonably expect to derive) revenues or funds from any of the prohibited activities described in the foregoing items (i) and (ii);

(g) the Corporation and each of the U.S. Subsidiaries have implemented procedures and policies to ensure that the Corporation and the U.S. Subsidiaries: (i) monitor and assess considerations and factors identified in chapter 9-27.000 of the U.S. Attorneys' Manual and other federal political and regulatory developments in the manner set out in the Offering Documents; and (ii) are operating in compliance with all applicable California state and municipal laws pertaining to the cultivation, distribution or possession of marijuana, other than where such non-compliance would not have a Material Adverse Effect;

(h) Sunniva Medical Inc., a Subsidiary, is an applicant under the ACMPR, CP Logistics LLC, a Subsidiary, holds the Cathedral City Licenses in the State of California, and A1 Perez, LLC, a Subsidiary, holds the A1 Perez Licenses in the State of California, and all operations of the Corporation and the Subsidiaries in respect of or in connection with the Business Assets have been and continue to be conducted in accordance with good industry practices. All of the Permits issued to date are valid and in full force and effect and neither the Corporation nor any Subsidiary have received any correspondence or notice from any Governmental Authority alleging or asserting material non-compliance with any applicable laws or Permits. Sunniva Medical Inc. has not received any correspondence or notice from any Governmental Authority alleging or asserting that its application under the ACMPR was materially deficient or unlikely to be approved and does not anticipate any difficulties in obtaining its license under the ACMPR. Neither the Corporation nor any Subsidiary have received any notice of proceedings or actions relating to the revocation, suspension, limitation or modification of any Permits or any notice advising of the refusal to grant any Permit that has been applied for or is in process of being granted and has no knowledge that any such Governmental Authority is considering taking or would have reasonable ground to take any such action;

(i) there are no outstanding notices or communications from any customer or Governmental Authority or any state or municipality thereof alleging a defect or claim in respect of any products supplied or sold by the Corporation or any Subsidiary to a customer that is material to the Corporation;

(j) all product research and development activities, including quality assurance, quality control, testing, and research and analysis activities, conducted by the Corporation and the Subsidiaries in connection with their business is being conducted in compliance, in all material respects, with all industry, laboratory safety, management and training standards applicable to its current and proposed business, and all such processes, procedures and practices, required in connection with such activities are in place as necessary and are being complied with, in all material respects;

(k) (A) each of the Corporation and each Subsidiary is the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof as described in the Offering Documents, and no other material property or assets are necessary for the conduct of the business of the Corporation or the Subsidiaries as currently conducted, (B) the Corporation does not know of any claim that might or could materially and adversely affect the right of the Corporation or the Subsidiaries to use, transfer or otherwise exploit such property or assets, and (C) other than in the ordinary course of business, neither the Corporation nor any of the 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;

(l) the authorized and issued share capital of the Corporation conforms to the description thereof contained in the Offering Documents. All of the issued and outstanding shares of the Corporation have been duly and validly authorized and issued as fully paid and non-assessable, and none of the outstanding shares of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation;

(m) at the Closing Time, all necessary corporate action will have been taken by the Corporation to allot and authorize the issuance of the Unit Shares, create and authorize the issuance of the Warrants and the Compensation Options and, upon the due exercise of the Warrants and the Compensation Options in accordance with their respective provisions thereof, the Underlying Securities will be validly issued as fully paid and non-assessable shares in the capital of the Corporation;

(n) the number of options to purchase Common Shares granted by the Corporation currently outstanding conforms to the description thereof contained in the Prospectus and, other than as contemplated by this Agreement, and options granted to directors, officers, employees and consultants of the Corporation to purchase Common Shares as described in the Offering Documents, no person, firm or corporation has any agreement or option, right or privilege (contractual or otherwise) capable of becoming an agreement (including convertible or exchangeable securities and warrants) for the purchase or acquisition from the Corporation or any Subsidiary of any interest in any Common Shares or other securities of the Corporation or any Subsidiary whether issued or unissued;

(o) there are no contracts or agreements between either the Corporation or a Subsidiary and any person granting such person the right to require the Corporation or the Subsidiary to file a registration statement under U.S. Securities Laws or, except as contemplated by this Agreement, a prospectus under Canadian Securities Laws, with respect to any securities of the Corporation or any Subsidiary owned or to be owned by such person that require the Corporation or a Subsidiary to include such securities in the securities qualified for distribution under the Offering Documents;

(p) there are no voting trusts or agreements, shareholders' agreements, buy sell agreements, rights of first refusal agreements, agreements relating to restrictions on transfer, pre-emptive rights agreements, tag-along agreements, drag-along agreements or proxies relating to any of the

securities of the Corporation or the Subsidiaries, to which the Corporation or any of the Subsidiaries is a party;

(q) the Unit Shares, Warrant Shares (issuable upon the exercise of the Warrants) and Compensation Shares (issuable upon the exercise of the Compensation Options) to be issued as described in this Agreement and in the Offering Documents have been, or prior to the Closing Time will be, duly alloted and reserved for issuance and, when issued, delivered and paid for in full, will be validly issued and fully paid shares in the capital of the Corporation free and clear of any and all Liens, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;

(r) the Transfer Agent, at its principal office in Calgary, Alberta, will be, at the Closing Date, duly appointed as the registrar and transfer agent of the Corporation with respect to the Common Shares and the Warrant Agent will be, at the Closing Date, duly appointed as the warrant agent with respect to the Warrants;

(s) this Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar laws affecting creditors' rights generally, general principles of equity, and the qualifications that equitable remedies may only be granted in the discretion of a court of competent jurisdiction and except that rights of indemnity, contribution, waiver and the ability to sever unenforceable terms may be limited under applicable Laws;

(t) no authorization, approval, consent, licence, permit, order or filing of, or with, any Government Authority or court, domestic or foreign, (other than those which have already been obtained or will be obtained prior to the Closing Date and except for post-closing filings to be made with the CSE and post-closing distribution reports to be filed and other post-closing filings to be made with certain securities regulatory authorities) is required for the valid sale and delivery of the Units or for the execution and delivery or performance this Agreement by the Corporation;

(u) neither the Corporation nor any of the Subsidiaries is in material violation of its constating documents or in material default in the performance or observance of any material obligation, agreement, covenant or condition contained in any Material Contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease, license or other agreement or instrument to which the Corporation or any of the Subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Corporation or any of the Subsidiaries is subject;

(v) the Corporation does not anticipate any material issues or impediments with respect to fulfilling its conditions and ongoing obligations in the Canopy Growth Agreement;

(w) other than as would not have a Material Adverse Effect, each of the execution and delivery of this Agreement, the Warrant Indenture and the Compensation Option Certificates, the performance by the Corporation of its obligations hereunder and thereunder, the sale of the Units hereunder and the issuance of the Compensation Options by the Corporation and the consummation of the transactions contemplated in this Agreement, (i) do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) the *Canada Business Corporations Act* and all regulations thereunder and any securities Laws having force in the Province of British Columbia; (B) the constating documents, by-laws or resolutions of the directors or shareholders of the Corporation or the Subsidiaries; (C) any mortgage, note, indenture, contract, agreement, joint venture, partnership, instrument, lease or other document to which the Corporation or any of the

Subsidiaries is a party or by which it is bound; or (D) any judgment, decree or order binding the Corporation or any one of the Subsidiaries or the property or assets thereof, other than in respect of judgments, orders or decrees related to certain United States federal laws relating to the cultivation, distribution or possession of marijuana in the United States as disclosed in the Offering Documents; and (ii) do not affect the rights, duties and obligations of any parties to any Material Contract to which the Corporation or any of the Subsidiaries is a party or by which it is bound, nor give a party the right to terminate any Material Contract to which the Corporation or any of the Subsidiaries is a party or by which it is bound, by virtue of the application of terms, provisions or conditions therein;

(x) the Corporation is not aware of any proposed material changes to existing legislation, or proposed legislation published by a legislative body, which it anticipates will result in a Material Adverse Change;

(y) the Financial Statements: (i) comply in all material respects with the requirements of applicable laws; (ii) have been prepared in accordance with international financial reporting standards; (iii) present fully, fairly and correctly in all material respects, the financial condition of the Corporation and its Subsidiaries as at the dates thereof and the results of the operations and the changes in the financial position of the Corporation for the periods then ended, on a basis consistent throughout the periods indicated and in accordance with the books and records of the Corporation; and (iv) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation;

(z) there are no off-balance sheet transactions, arrangements, obligations or liabilities of the Corporation or its Subsidiaries whether direct, indirect, absolute, contingent or otherwise;

(aa) there are no material liabilities of the Corporation, whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Financial Statements;

(bb) the financial information included in the Offering Documents presents fairly in all material respects the consolidated financial position, results of operations, deficit and cash flow of the Corporation, respectively, as at the dates and for the periods indicated;

(cc) to the knowledge of the Corporation, the Corporation's auditors are independent public accountants as required under applicable Canadian Securities Laws and there has never been a reportable event (within the meaning of NI 51-102) between the Corporation and such auditors or, to the knowledge of the Corporation, any former auditors of the Corporation;

(dd) subject to the exemption included in Part 6 of National Instrument 52-110 – *Audit Committees*, the responsibilities and composition of the Corporation's audit committee comply with NI 52-110;

(ee) the Corporation maintains a system of internal accounting controls (reliant primarily on manual intervention and oversight) commensurate with industry practice for a company of comparable size, scope and stage of development, which is sufficient to provide reasonable assurance that in all material respects:

(i) transactions are executed in all material respects in accordance with management's general or specific authorization;

(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with international financial reporting standards and to maintain accountability for assets; and

(iii) access to assets is permitted only in accordance with management's general or specific authorization;

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

(gg) 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 the Corporation and its Subsidiaries have been paid, except where the failure to pay Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation and its Subsidiaries have been filed with all appropriate 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 where the failure to file such documents would not have a Material Adverse Effect. To the knowledge of the Corporation, no examination of any tax return of the Corporation or any of the Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Corporation or its subsidiaries, except where such examinations, issues or disputes would not have a Material Adverse Effect. There are no agreements, waivers or other arrangements with any tax authority providing for an extension of time for any assessment or reassessment of Taxes;

(hh) the Corporation and its Subsidiaries have been assessed for all applicable taxes to and including the year ended December 31, 2016 and have received all appropriate refunds, made adequate provision for Taxes payable for all subsequent periods and the Corporation is not aware of any material contingent tax liability of the Corporation or its Subsidiaries not adequately reflected in the Financial Statements;

(ii) the Corporation is not aware of tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon with respect to the Corporation or any of the Subsidiaries where, in any of the above cases, it would have a Material Adverse Effect. There are no material actions, suits, proceedings, investigations or claims now threatened or, to the best knowledge of the Corporation, pending against the Corporation or any Subsidiary which could result in a material liability in respect of taxes, charges or levies of any Governmental Authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any Governmental Authority relating to Taxes by any such authority and the Corporation or any Subsidiary has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all Taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation;

(jj) to the knowledge of the Corporation, the statistical, industry and market related data included in the Offering Documents are derived from sources which the Corporation reasonably believes to

be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;

(kk) since the respective dates as of which information is given in the Offering Documents, except as otherwise stated therein or contemplated thereby, there has not been:

(i) any material change in the condition (financial or otherwise), or in the earnings, business, affairs, capital, prospects, operations or management of the Corporation or any of the Subsidiaries, whether or not arising in the ordinary course of business from that set forth therein;

(ii) any transaction entered into by the Corporation or any of the Subsidiaries, other than in the ordinary course of business, that is material to the Corporation; or

(iii) any dividend or distribution of any kind declared, paid or made by the Corporation or any of the Subsidiaries on shares in the capital of the Corporation or a Subsidiary, as applicable;

(ll) except as disclosed in the Offering Documents, none of the directors, officers or shareholders of the Corporation or its Subsidiaries is indebted to or under any obligation to the Corporation or the Subsidiaries, in any material respect;

(mm) no material labour dispute with current and former employees of the Corporation or any of its Subsidiaries exists, or, to the knowledge of the Corporation, is imminent and the Corporation is not aware of any existing, threatened or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of the Corporation or any of the Subsidiaries;

(nn) no union has been accredited or otherwise designated to represent any employees of the Corporation or any of its Subsidiaries and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or its subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or its Subsidiaries and none is currently being negotiated by the Corporation or any of its Subsidiaries;

(oo) other than usual and customary health and related benefit plans for employees, the Prospectus discloses to the extent required by applicable Canadian Securities Laws to be disclosed in the Prospectus each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Corporation or its subsidiaries for the benefit of any current or former director, officer, employee or consultant of the Corporation or any Subsidiary, as applicable (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans;

(pp) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments of the Corporation and its Subsidiaries have been recorded in accordance with generally accepted accounting principles in Canada or international financial reporting standards, as applicable, and are reflected on the books and records of the Corporation;

(qq) neither the Corporation nor any of its Subsidiaries has made any loans to or guaranteed the obligations of any person, other than the Corporation's guarantee of certain obligations of CP

Logistics, LLC under the Cathedral City Lease, or as would otherwise not have a Material Adverse Effect;

(rr) all of the Material Contracts of the Corporation have been disclosed in the Offering Documents and, if required under the Canadian Securities Laws, have or will be filed with the Securities Commissions. Neither the Corporation nor any of its Subsidiaries has received any notification from any party that it intends to terminate any such Material Contract;

(ss) each of the Material Contracts and other documents and instruments pursuant to which the Corporation holds its property and assets and conducts its business is a valid and subsisting agreement, document and instrument in full force and effect, enforceable in accordance with the terms thereof, neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, any party to any Material Contract, is in default of any of the material provisions of any such Material Contracts, instruments or documents nor has any such default been alleged, and such assets are in good standing under the applicable statutes and regulations of the governing jurisdiction and, to the knowledge of the Corporation, there are no amendments that have been, are required to be, or are proposed to be made or, as of the date of this Agreement, any known material contractual delays that would cause a Material Adverse Effect;

(tt) there is no material action, suit, proceeding, inquiry or investigation before or brought by any court or Governmental Authority, to knowledge of the Corporation, now pending or threatened against the Corporation, any of its Subsidiaries or, to the Corporation's knowledge, in respect of any directors or officers of the Corporation or any Subsidiary;

(uu) none of the Corporation nor any of the Subsidiaries has any knowledge of a violation of, in connection with the ownership, use, maintenance or operation of its property and assets, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, permits, licenses, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "**environmental laws**"). Without limiting the generality of the foregoing:

(i) each of the Corporation, and to the best of the Corporation's knowledge, the Subsidiaries has occupied its properties and has received, handled, used, stored, treated, shipped and disposed of all pollutants, contaminants, hazardous or toxic materials, controlled or dangerous substances or wastes in compliance with all applicable environmental laws and has received all permits, licenses or other approvals required of them under applicable environmental laws to conduct their respective businesses; and

(ii) there are no orders, rulings or directives issued against the Corporation or any of the Subsidiaries, and to the best of the Corporation's knowledge, there are no orders, rulings or directives pending or threatened against the Corporation or any of the Subsidiaries under or pursuant to any environmental laws requiring any work, repairs, construction or capital expenditures with respect to any property or assets of the Corporation;

(vv) no notice with respect to any of the matters referred to in the immediately preceding paragraph, including any alleged violations by the Corporation or any of the Subsidiaries with respect thereto has been received by the Corporation or any of the Subsidiaries and no writ, injunction, order or judgment is outstanding, and no legal proceeding under or pursuant to any environmental laws or relating to the ownership, use, maintenance or operation of the property and assets of the Corporation or any of the Subsidiaries is in progress, threatened or, to the best of the Corporation's knowledge, pending, which would have a Material Adverse Effect on the Corporation or any of the Subsidiaries and to the best of the Corporation's knowledge there are no

grounds or conditions which exist, on or under any property now or previously owned, operated or leased by the Corporation or any of the Subsidiaries, on which any such legal proceeding might be commenced with any reasonable likelihood of success or with the passage of time, or the giving of notice or both, would give rise;

(ww) the minute books and records of the Corporation and the Subsidiaries made available to counsel for the Underwriters in connection with its due diligence investigation of the Corporation for the periods from the respective dates of incorporation of the Corporation and each Subsidiary to the date hereof are all of the material minute books and records of the Corporation and each Subsidiary and contain copies of all significant proceedings of the shareholders and the boards of directors of the Corporation and the Subsidiaries to the date hereof and, other than with respect to approving matters related to the Offering, there have not been any other formal meetings, resolutions or proceedings of the shareholders or boards of directors of the Corporation or the Subsidiaries to the date hereof not reflected in such minute books and other records other than those which have been disclosed in writing to the Underwriters or at or in respect of which no material corporate matter or business was approved or transacted;

(xx) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of the Corporation, are pending, contemplated or threatened by any regulatory authority;

(yy) the Corporation is a reporting issuer in good standing in the provinces of British Columbia, Alberta and Ontario under Canadian Securities Laws;

(zz) the Corporation is qualified under NI 44-101 and NP 11-202 to file a prospectus in the form of a short form prospectus in each of the Qualifying Jurisdictions as of the date hereof and shall be so eligible on the date of filing of each of the Preliminary Prospectus and the Prospectus and on the date of and upon filing of the Prospectus there will be no documents required to be filed under Canadian Securities Laws in connection with the distribution of the Units that will not have been filed as required;

(aaa) no forward-looking information (within the meaning of Canadian Securities Laws) included or incorporated by reference in the Offering Documents has been made or reaffirmed by the Corporation without a reasonable basis in terms of the data and assumptions used, or has been disclosed other than in good faith;

(bbb) the Corporation is in compliance in all material respects with its continuous and timely disclosure obligations under Canadian Securities Laws and the rules and regulations of the CSE and has filed all material documents required to be filed by it with the Securities Commissions under applicable Canadian Securities Laws, and no document has been filed on a confidential basis with the Securities Commissions that remains confidential at the date hereof. None of the documents filed in accordance with applicable Canadian Securities Laws, as at the date of filing thereof, was inaccurate, incomplete, or contained a misrepresentation that would result in a Material Adverse Effect and there are not material changes or material facts relating to the Corporation that have not been publicly disclosed;

(ccc) (A) the Corporation has not made any significant acquisitions as such term is defined in Part 8 of NI 51-102 in its current financial year or prior financial years in respect of which historical and/or pro forma financial statements or other information would be required to be included or incorporated by reference into the Preliminary Prospectus or the Prospectus and for which a business acquisition report has not been filed under NI 51-102; (B) the Corporation has not, since listing of the Common Shares on the CSE, entered into any letter of intent or similar agreement or

arrangement in respect of a transaction that would be a significant acquisition for purposes of Part 8 of NI 51-102; and (C) there are no proposed acquisitions by the Corporation that have progressed to the state where a reasonable person would believe that the likelihood of the Corporation completing the acquisition is high and would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the Prospectus;

(ddd) no securities commission, stock exchange or comparable authority has issued any order preventing or suspending the use or effectiveness of the Offering Documents or preventing the distribution of the Units in any Qualifying Jurisdiction nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;

(eee) neither the Corporation nor any of the Subsidiaries owns any real property;

(fff) with respect to any leased premises, the Corporation and the Subsidiaries, as applicable, occupies the leased premises and has the exclusive right to occupy and use the leased premises and each of the leases pursuant to which the Corporation or any Subsidiary, as applicable, occupies the leased premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of the transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such leases or result in any additional or more onerous obligations under such leases that would have a Material Adverse Effect;

(ggg) the Corporation and each of 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 Corporation and each of its Subsidiaries to conduct its business as currently conducted. Neither the Corporation nor any of its Subsidiaries has received any notice nor is it 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 Corporation 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 have a Material Adverse Effect;

(hhh) the Corporation and each Subsidiary is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; and the Corporation has no reason to believe that it will not be able to renew the existing insurance coverage of the Corporation and the Subsidiary as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect;

(iii) none of the Corporation, the Subsidiaries nor, to the knowledge of the Corporation, any of their employees or agents have made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States, federal, provincial or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws, in a manner that would reasonably be expected to have a Material Adverse Effect;

(jjj) the operations of the Corporation are and have been conducted at all times in material compliance with applicable financial record keeping and reporting requirements of the money laundering statutes in all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or

before any court of governmental authority or any arbitrator non-governmental authority involving the Corporation with respect to the Money Laundering Laws is, to the knowledge of the Corporation, pending or threatened;

(kkk) neither the Corporation nor, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or person acting on behalf of the Corporation is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("**OFAC**"); and the Corporation will not knowingly, directly or indirectly, use the proceeds of the Offering, or knowingly lend, contribute or otherwise make available such proceeds to any joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any United States sanctions administered by OFAC;

(lll) the statements set forth in the Prospectus under the headings "Eligibility for Investment" and "Canadian Federal Income Tax Considerations" are accurate, subject to the limitations and qualifications set out therein;

(mmm) the Corporation has not withheld and will not withhold from the Underwriters prior to the Closing Time, any material facts relating to the Corporation, any of its Subsidiaries or the Offering which would result in a Material Adverse Effect;

(nnn) other than as contemplated under this Agreement, there is no person acting or purporting to act at the request of the Corporation or any of its Subsidiaries who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the transactions contemplated herein; and

(ooo) the Corporation is a "foreign private issuer" as such term is defined in Rule 405 under U.S. Securities Laws and may offer the Units for sale in the United States, or to or for the account or benefit of persons in the United States or U.S. Persons, through the Underwriters and their respective U.S. Affiliates, to qualified institutional buyers, as defined in Rule 144A under applicable U.S. Securities Laws.

Section 8 Covenants of the Corporation

The Corporation covenants with the Underwriters that the Corporation will:

(a) promptly provide to the Underwriters, during the period commencing on the date hereof and until completion of the distribution of the Units, copies of any filings made by the Corporation or the Subsidiaries of information relating to the Offering (to the extent such filings are not available under the Corporation's profile on the System for Electronic Document Analysis and Retrieval) with any securities exchange or any regulatory body in Canada or the United States or any other jurisdiction;

(b) promptly provide to the Underwriters and their counsel, during the period commencing on the date hereof and until completion of the distribution of the Units, drafts of any press releases and material change reports of the Corporation relating to the Offering for review by the Underwriters and their counsel prior to issuance, and give the Underwriters and their counsel a reasonable opportunity to provide comments on any such press release or material change report, subject to the Corporation's timely disclosure obligations under applicable Canadian Securities Laws;

(c) promptly inform the Underwriters in writing during the period prior to the completion of the distribution of the Units of the full particulars of:

(i) any material change (whether actual, anticipated, contemplated or proposed by, or threatened), financial or otherwise, in the assets, liabilities (contingent or otherwise),

business, affairs, prospects, operations, cash flow or capital of the Corporation and its subsidiaries, taken as a whole;

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

(iii) any change in any material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact or any new material fact) contained in any of the Offering Documents or whether any event or state of facts has occurred after the date of this Agreement, which, in any case, is of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents including as a result of any of the Offering Documents containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not false or misleading in the light of the circumstances in which it was made, which would result in any Offering Document not complying with applicable Canadian Securities Laws or U.S. Securities Laws, as the case may be, or which would reasonably be expected to have an effect on the market price or value of the Common Shares;

(d) advise the Underwriters, promptly after receiving notice or obtaining knowledge thereof, during the period prior to the completion of the distribution of the Units, of: (i) the issuance by any Securities Commission, the SEC or similar regulatory authority of any order suspending or preventing the use of any Offering Document; (ii) the suspension of the qualification of the Units in any of the Qualifying Jurisdictions; (iii) the institution, threatening or contemplation of any proceeding for any such purposes; (iv) any requests made by any Securities Commission, the SEC or similar regulatory authority for amending or supplementing any of the Offering Documents or for additional information; or (v) the receipt by the Corporation of any material communication, whether written or oral, from any Securities Commission, the SEC or similar regulatory authority or any stock exchange, relating to the distribution of the Units, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;

(e) comply with Section 6.5 and 6.6 of NI 41-101 and with the comparable provisions of the other relevant Canadian Securities Laws. The Corporation will promptly prepare and file with the Securities Commissions in the Qualifying Jurisdictions any Supplementary Material, which in the opinion of the Underwriters and the Corporation, each acting reasonably, may be necessary or advisable, and will otherwise comply with all legal requirements necessary to continue to qualify the Units for distribution. If the Corporation and the Underwriters in good faith disagree as to whether a change, fact or event requires the filing of any Supplementary Material in compliance with Section 6.5 or Section 6.6 of NI 41-101, the Corporation will prepare and file promptly at the request of the Underwriters any Supplementary Material which, in the opinion of the Underwriters, acting reasonably, may be necessary or advisable. Upon receipt of any Supplementary Material the Underwriters shall, as soon as possible, send such Supplementary Material to purchasers of the Units;

(f) deliver to the Underwriters prior to the filing of the Preliminary Prospectus and Prospectus, a copy thereof signed and certified as required by the applicable Canadian Securities Laws;

(g) advise the Underwriters, promptly after receiving notice thereof, of the time when the Preliminary Prospectus, the Prospectus, any Marketing Materials and any Supplementary Material has been filed and receipts therefor (if any) have been obtained pursuant to the Canadian Securities Laws and will provide evidence reasonably satisfactory to the Underwriters of each such filing and copies of such receipts;

(h) deliver without charge to the Underwriters, as soon as practicable, and in any event no later than two clear Business Days immediately following the date of issuance of the receipt in the case of the Prospectus, and thereafter from time to time during the distribution of the Units, in Vancouver, Calgary or Toronto, as many commercial copies of the Prospectus as the Underwriters may reasonably request for the purposes contemplated by Canadian Securities Laws;

(i) if applicable, cause to be delivered to the Underwriters such number of commercial copies of the U.S. Placement Memorandum and any Supplementary Material required to be delivered to purchasers or prospective purchasers of Units in the United States, or to or for the account or benefit of, persons in the United States or U.S. Persons, as the Underwriters may reasonably request. Each delivery of the Preliminary Prospectus, the Prospectus, the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum or any Supplementary Material shall constitute consent by the Corporation to the use by the Underwriters and other investment dealers and brokers of such documents in connection with the distribution of the Units contemplated hereunder, subject to the provisions of applicable Law and the provisions of this Agreement;

(j) use the net proceeds of the Offering in the manner specified in the Prospectus;

(k) file or cause to be filed with the CSE all necessary documents and shall take or cause to be taken all necessary steps to ensure that the Corporation has obtained all necessary approvals for the Unit Shares, Warrant Shares (issuable upon exercise of the Warrants) and Compensation Shares (issuable upon exercise of the Compensation Options) to be issued under the Offering to be listed on the CSE;

(l) prior to the Closing Date, make all necessary arrangements that are within the control of the Corporation for the electronic deposit of the Unit Shares and Warrants comprising the Units pursuant to the non-certificated issue system of CDS on the Closing Date. All fees and expenses payable to CDS and/or the Transfer Agent in connection with the electronic deposit and the fees and expenses payable to CDS and/or the Transfer Agent in connection with the initial or additional transfers as may be required in the course of the distribution of the Units shall be borne by the Corporation;

(m) until the expiry date of the Warrants, use its commercially reasonable efforts to remain a corporation validly subsisting under the laws of Canada, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course;

(n) until the expiry date of the Warrants, other than in connection with a transaction submitted to the Corporation's shareholders for approval, use commercially reasonable efforts to maintain its status as a "reporting issuer" under the Securities Laws of a jurisdiction of Canada, not in default of any requirement of such Securities Laws;

(o) until the expiry date of the Warrants, other than in connection with a transaction submitted to the Corporation's shareholders for approval, use commercially reasonable efforts to maintain the

listing of the Common Shares on the CSE or another recognized stock exchange or quotation system in Canada;

(p) duly execute and deliver the Warrant Indenture and the Compensation Option Certificates at the Closing Time, and comply with and satisfy all material terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation;

(q) use its commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in Section 5 hereof;

(r) ensure that at the Closing Time the Warrants are duly and validly created, authorized and issued and shall have attributes corresponding in all material respects to the description set forth in the Warrant Indenture;

(s) ensure that the Warrant Shares issuable upon the exercise of the Warrants shall, upon issuance in accordance with terms thereof, be duly issued as fully paid and non-assessable Common Shares;

(t) ensure that, at all times prior to the until the expiry date of the Warrants, a sufficient number of Warrant Shares are allotted and reserved for issuance upon the exercise of the Warrants;

(u) ensure that at the Closing Time the Compensation Options are duly and validly created, authorized and issued and shall have attributes corresponding in all material respects to the description set forth in the Compensation Option Certificates;

(v) ensure that the Compensation Shares issuable upon the exercise of the Compensation Options shall, upon issuance in accordance with the terms thereof, be duly issued as fully paid and non-assessable Common Shares;

(w) ensure that, at all times prior to the expiry of the Compensation Options, a sufficient number of Compensation Shares are reserved for issuance upon the due exercise of the Compensation Options;

(x) not, other than in connection with a transaction submitted to the Corporation's shareholders for approval, to directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or enter into any derivative transaction that has the effect of any of the foregoing, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or enter into any derivative transaction that has the effect of any of the foregoing, any Common Shares or any securities convertible into or exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Corporation for a period of 90 days after the Closing Date, without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld, except: (i) pursuant to the exercise of the Over-Allotment Option; (ii) under existing director or employee stock options, bonus or purchase plans or similar share compensation arrangements as detailed in the Offering Documents; (iii) under director or employee stock options or bonuses granted subsequently in accordance with any required regulatory approval and in a manner consistent with the Corporation's past practice; (iv) upon the exercise of convertible securities, warrants or options outstanding prior to the date of this Agreement; or (v) pursuant to previously scheduled payments and/or other corporate acquisitions;

(y) use commercially reasonable efforts to cause each of the directors, officers and holders of greater than 5% of the Corporation's issued and outstanding Common Shares as of the date of this Agreement to enter into an agreement in the form attached hereto as Schedule "B" in favour of the Underwriters pursuant to which he, she or it shall covenant and agree that he, she or it will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short

sale, lend, swap, or otherwise dispose of, transfer, assign, or announce any intention to do so, any Common Shares or any securities convertible into or exchangeable for Common Shares or other equity securities of the Corporation, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than pursuant to a bona fide take-over bid or any other similar transaction made generally to all of the shareholders of the Corporation, provided that, in the event the change of control or other similar transaction is not completed, such securities shall remain subject to the lock-up agreement, for a period of 90 days after the Closing Date; and

(z) promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, such further acts, documents and things for the purpose of giving effect to this Agreement and the transactions contemplated herein.

Section 9 Additional Documents upon Filing of the Prospectus

The Underwriters' obligations under this Agreement to purchase the Units are conditional upon, in addition to the conditions referred to elsewhere in this Agreement:

(a) the Underwriters receiving, concurrently with the filing of the Prospectus, and any amendment thereto, a comfort letter dated the date of the Prospectus or any amendment thereto, as applicable, from the auditors of the Corporation, addressed to the Underwriters and to the board of directors of the Corporation in form and substance satisfactory to the Co-Lead Underwriters, acting reasonably, relating to the verification of the financial information and accounting data and other numerical data of a financial nature contained in the Prospectus or the amendment, as applicable, and matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus to a date not more than two Business Days prior to the date of such letter;

(b) similar comfort letters being delivered to the Underwriters with respect to any Supplementary Material concurrently with the execution of such Supplementary Material; and

(c) prior to the filing of the Prospectus, a copy of all forms filed with the CSE for the listing and posting for trading on the CSE of the Unit Shares, the Warrant Shares (issuable upon exercise of the Warrants) and the Compensation Shares (issuable upon exercise of the Compensation Options) issuable pursuant to the Offering being delivered to the Underwriters.

Section 10 Closing

The purchase and sale of the Units shall be completed at the Closing Time at the offices of counsel to the Corporation or at such other place as the Co-Lead Underwriters and the Corporation may agree. At the Closing Time, the Corporation shall cause the Transfer Agent and Warrant Agent to electronically deposit the Unit Shares and Warrants comprising the Units to CDS or its nominee on behalf of the Underwriters registered in the name of "CDS & Co." or in such other name or names as the Underwriters may notify the Corporation in writing not less than 24 hours prior to the Closing Time to be held by CDS as a non-certificated inventory in accordance with the rules and procedures of CDS, against payment by the Underwriters to the Corporation, at the direction of the Corporation, as applicable, of the aggregate purchase price for the Units less an amount equal to the Underwriting Fee and a reasonable estimate of the out-of-pocket fees and expenses of the Underwriters and their counsel payable pursuant to Section 15, by wire transfer, or such other method of payment as may be agreed upon between the

Corporation and Beacon together with a receipt signed by the Co-Lead Underwriters for such electronic deposit and for receipt of the Underwriting Fee and such estimated expenses.

Section 11 Compensation Options

As additional consideration for the Underwriters' services in assisting in the preparation and completion of the Offering contemplated by this Agreement and all other matters in connection with the issue and sale of the Units, the Corporation hereby agrees to issue to the Underwriters that number of Compensation Options (the "**Compensation Options**") as is equal to 6.0% of the aggregate number of Units sold pursuant to the Offering. Each Compensation Option shall be exercisable, for a period of two years following the Closing Date, to acquire one Common Share (each a "**Compensation Share**") at an exercise price per Compensation Share equal to the Offering Price, subject to adjustment in certain events. If the Compensation Options are unavailable for any reason it is agreed that the Corporation shall pay the Underwriters other compensation of comparable value to the Compensation Options. Such other compensation shall be agreed to between the Corporation and the Co-Lead Underwriters, each acting reasonably. The description of the Compensation Options herein is a summary only and is subject to the specific attributes and detailed provisions of the Compensation Options to be set forth in the Compensation Option Certificates. In case of any inconsistency between the description of the Compensation Options in this Agreement and the terms of the Compensation Options as set forth in the Compensation Option Certificates, the provisions of the Compensation Option Certificates shall govern.

The Underwriters acknowledge that the Compensation Options and the Compensation Shares (collectively, the "**Compensation Securities**") have not been and will not be registered under the U.S. Securities Act, and the Compensation Options may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act. In connection with the issuance of the Compensation Securities, as the case may be, each of the Underwriters represents and warrants that (i) it is not a U.S. Person and it is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, (ii) this Agreement was executed and delivered outside the United States and (iii) it is acquiring the Compensation Securities, as principal for its own account and not for the benefit of any other person. The Underwriters agree that they will not engage in any Directed Selling Efforts (as defined in Schedule "A") with respect to any Compensation Securities.

Section 12 Termination Rights

The obligation of the Underwriters, or any of them, to purchase the Units is conditional upon: (i) all representations and warranties of the Corporation in this Agreement being true and correct in all material respects; and (ii) the Corporation having performed its obligations under this Agreement, in all material respects. Any breach or failure to comply with any conditions in favour of the Underwriters shall entitle the Underwriters, or any of them, to terminate their obligation to purchase the Units by providing notice in writing to that effect to the Corporation and, if applicable, the Co-Lead Underwriters, prior to the Closing Time. In addition to any other remedies which may be available to the Underwriters, an Underwriter shall be entitled, at its option, to terminate and cancel, without any liability on the Underwriter's part, that Underwriter's obligations under this Agreement, by providing the Corporation and, if applicable, the Co-Lead Underwriters written notice prior to the Closing Time, if, prior to the Closing Time:

(a) there shall have occurred any material change or change in any material fact, or there shall be discovered any previously undisclosed material change or material fact in relation to the Corporation, in each case which, in the reasonable opinion of such Underwriter, has or would reasonably be expected to have a material adverse effect on the market price or value of the Common Shares;

(b) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of any securities of the Corporation, including the Units, is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the CSE or any other competent authority, and has not been rescinded, revoked or withdrawn;

(c) there is an inquiry, action, suit, investigation or other proceeding (whether formal or informal) commenced, announced or threatened or an order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation, the CSE or any securities regulatory authority, in relation to the Corporation, any of its material assets or operations or any one of its officers or directors (except for any inquiry, action, suit, proceeding, investigation or order based upon activities of the Underwriters and not upon activities of the Corporation or any one of its officers or directors), which in the opinion of such Underwriter, acting reasonably, operates to prevent or materially restrict the distribution or trading of the Units or, which in the reasonable opinion of such Underwriter, materially and adversely affects or would be reasonably expected to materially and adversely affect the market price or value of the Common Shares;

(d) there should develop, occur or come into effect or existence any event, action, state, condition or major occurrence of national or international consequence or any law or regulation is enacted or changed, which, in the sole opinion of such Underwriter, acting reasonably, seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation and its subsidiaries taken as a whole;

(e) the Corporation has not obtained a receipt for the Prospectus by 5:00 pm (Toronto time) on March 21, 2018; or

(f) the Underwriters and the Corporation mutually agree in writing to terminate this Agreement as provided for herein.

The rights of termination contained in this Section 12 as may be exercised by the Underwriters, or any of them, are in addition to any other rights or remedies the Underwriters may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement. Notwithstanding the foregoing sentence, in the event of any such termination, there shall be no further liability on the part of such terminating Underwriter to the Corporation or on the part of the Corporation to such Underwriter except in respect of any liability which may have arisen prior to or which may arise after such termination under Section 13, Section 14 and Section 15. A notice of termination given by an Underwriter under this Section 12 shall not be binding upon any other Underwriter.

Section 13 Indemnification

(a) In consideration of the services performed by the Underwriters under this Agreement, the Corporation, and its affiliated companies hereby agrees to indemnify and save harmless, to the maximum extent permitted by law, the Underwriters, their affiliates and their respective directors, officers, employees agents, and advisors (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind (excluding loss of profits), including the aggregate amount paid in reasonable settlement (collectively, the "**Losses**"), provided the Corporation has consented to such settlement in accordance with Section 13(d), of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in

enforcing this indemnity (each a "**Claim**" and, collectively, the "**Claims**") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Corporation by the Indemnified Parties hereunder hereafter provided 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) If and to the extent that a court of competent jurisdiction, in a final non-appealable judgement in a proceeding in which the Indemnified Party is named as a party, determines that a Claim was caused by or resulted from an Indemnified Party's material breach of this Agreement, breach of applicable laws, gross negligence, fraudulent act or wilful misconduct, this indemnity shall cease to apply to such Indemnified Party in respect of such Claim and such Indemnified Party shall reimburse any funds advanced by the Corporation to the Indemnified Party pursuant to this indemnity in respect of such Claim. The Corporation agrees to waive any right the Corporation might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.

(c) If any Claim is brought against an Indemnified Party or an Indemnified Party has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Corporation, the Indemnified Party will give the Corporation prompt written notice of any such Claim of which the Indemnified Party has knowledge and the Corporation will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties (acting reasonably) affected and the payment of all expenses. The Corporation throughout the course thereof, will provide copies of all relevant documentation to the Indemnified Parties, will keep the Indemnified Parties advised of the progress thereof and will discuss with the Indemnified Parties all significant actions proposed. Failure by the Indemnified Party to so notify shall not relieve the Corporation of its obligation of indemnification hereunder.

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

(i) employment of such counsel has been authorized in writing by the Corporation;

(ii) the Corporation has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim, action, suit, proceeding or investigation;

(iii) the named parties to any such claim include both the Corporation and any of the Indemnified Parties, and the Indemnified Parties shall have been advised by counsel to the Indemnified Parties that there may be a conflict of interest between the Corporation and any Indemnified Party; or

(iv) there are one or more defences available to the Indemnified Parties which are different from or in addition to those available to the Corporation;

in which case such reasonable fees and expenses of such counsel to the Indemnified Parties will be for the Corporation's account and the Corporation shall reimburse the Underwriters for such reasonable fees and expenses. The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights the Indemnified Parties may have at common law or otherwise.

(e) Without limiting the generality of the foregoing, this indemnity shall apply to all reasonable expenses (including legal expenses), Losses (excluding loss of profits), claims and liabilities that the Underwriters may incur as a result of any action, suit, proceeding or claim that may be threatened or brought against the Corporation.

(f) The Corporation hereby constitutes the Underwriters as trustees for each of their respective other Indemnified Parties of the Corporation's covenants under this indemnity with respect to such persons and the Underwriters agree to accept such trust and to hold and enforce such covenants on behalf of such persons.

(g) The Corporation agrees that, in any event, no Indemnified Party shall have any liability (either direct or indirect, in contract or tort or otherwise) to the Corporation or any person asserting claims on the Corporation's behalf or in right for or in connection with the services provided by the Underwriters under this Agreement, except to the extent that any Losses incurred by the Corporation are determined by a court of competent jurisdiction in a final judgement (in a proceeding in which the applicable Indemnified Party is named as a party) that has become non-appealable to have resulted from a material breach of the Agreement, breach of applicable laws, gross negligence or fraudulent act of such Indemnified Party.

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

Section 14 Contribution

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

(b) For greater certainty and notwithstanding anything to the contrary contained herein, the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Underwriting Fee or any portion thereof actually received. However, no party who has been determined by a court of competent jurisdiction in a final judgement to have engaged in any fraud, dishonesty, wilful misconduct or gross negligence shall be entitled to claim contribution

from any person who has not been so determined to have engaged in such fraud, dishonesty, wilful misconduct or gross negligence.

(c) Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this section, notify such party or parties from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this section, except to the extent that the party from whom contribution may be sought is materially prejudiced by such omission.

(d) The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation, and any Indemnified Party. The foregoing provisions shall survive the completion of professional services rendered under this Agreement and/or any termination of this Agreement.

Section 15 Expenses

The Corporation will pay all reasonable expenses and fees (including taxes applicable thereon) in connection with the Offering, including, without limitation: (i) all reasonable expenses of, or incidental to, the creation, issue, sale or distribution of the Units and the filing and delivery of each of the Preliminary Prospectus and the Prospectus; (ii) the fees and expenses of the Corporation's legal counsel; (iii) all costs incurred in connection with the preparation of documentation relating to the Offering; (iv) the reasonable fees of the Underwriters' Canadian legal counsel (subject to a maximum of $100,000, exclusive of disbursements and applicable taxes); and (v) all reasonable "out-of-pocket expenses" of the Underwriters. All fees and expenses incurred by the Underwriters or on their behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Underwriters and shall be payable whether or not the Offering is completed. At the option of the Co-Lead Underwriters, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Corporation at Closing.

Section 16 Obligations of the Underwriters to be Several

(a) Subject to the terms and conditions of this Agreement, the obligation of the Underwriters to purchase the Units shall be several (and not joint or joint and several) and shall be as to the following percentages:

Beacon Securities Limited	47.5%
Canaccord Genuity Corp.	47.5%
Bloom Burton Securities Inc.	5.0%
	100%

(b) If an Underwriter (a "**Refusing Underwriter**") fails to purchase its applicable percentage of the Units (each, "**Defaulted Securities**") which that Underwriter has agreed to purchase under this Agreement (other than in accordance with Section 12 hereof), the remaining Underwriters (the "**Continuing Underwriter**s") shall have the right, but shall not be obligated, to purchase all but not less than all, of the Defaulted Securities. If the number of Defaulted Securities to be purchased by the Refusing Underwriters does not exceed 5% of the Units, the Continuing Underwriters will be obligated to purchase the Defaulted Securities on the terms set out in this Agreement; however, the Continuing Underwriters will not be required to purchase the Defaulted Securities if the Refusing Underwriters, or the Continuing Underwriters exercise or has exercised

its termination rights pursuant to Section 12 hereof. Subject to the immediately preceding sentence, if the number of Defaulted Securities is greater than 5% of the Units, the Continuing Underwriters will not be obligated to purchase the Defaulted Securities and, if the Continuing Underwriters do not elect to purchase the Defaulted Securities

(i) the Continuing Underwriters will not be obligated to purchase any of the Units;

(ii) the Corporation will not be obligated to sell less than all of the Units to be sold hereunder; and

(iii) the Corporation will be entitled to terminate its obligations under this Agreement, in which event there will be no further liability hereunder on the part of the Corporation or the Continuing Underwriters, except pursuant to the provisions of Section 13, Section 14 and Section 15.

(c) No action taken pursuant to this section shall relieve any Refusing Underwriter from responsibility in respect of its default to the Corporation or to any Continuing Underwriter.

(d) Nothing in this Agreement shall oblige any U.S. Affiliate of any of the Underwriters to purchase the Units. Any United States broker dealer who makes any offers or sales of the Units in the United States or to or for the account or benefit of persons in the United States or U.S. Persons will do so solely as an agent for an Underwriter.

Section 17 Action by Underwriters

All steps which must or may be taken by the Underwriters in connection with this Agreement resulting from the Corporation's acceptance of this offer, with the exception of the matters contemplated by Section 12, Section 13 and Section 14 may be taken by each of the Co-Lead Underwriters on behalf of itself and the other Underwriters and the acceptance of this offer by the Corporation shall constitute the Corporation's authority for accepting notification of any such steps from, and for delivering the definitive documents in respect of the Offering to, or to the order of, the Co-Lead Underwriters.

Section 18 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. In the event of any dispute regarding the Agreement, the parties hereto submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

Section 19 Survival of Warranties, Representations, Covenants and Agreements

Except as expressly set out herein, all warranties, representations, covenants and agreements of the Corporation and the Underwriters herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the purchase by the Underwriters and shall continue in full force and effect for the benefit of the Underwriters or the Corporation, as the case may be, regardless of the Closing of the sale of the Units, any subsequent disposition of the Units by the Underwriters or the termination of the Underwriters' obligations under this Agreement for a period ending on the date that is two years following the Closing Date and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Offering Documents or the distribution of the Units or otherwise, and the Corporation agrees that the Underwriters shall not be presumed to know of the existence of a claim against the Corporation under this Agreement or any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Units as a result of any investigation made by or on behalf of the Underwriters in accordance with the preparation of the Offering Documents or the distribution of the Units or otherwise.

Notwithstanding the foregoing, the provisions contained in this Agreement in any way related to indemnification or contribution obligations shall survive and continue in full force and effect, indefinitely.

Section 20 Notices

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by email or other form of electronic delivery to such other party as follows:

(i) to the Corporation at:

Sunniva Inc.
1200 Waterfront Centre
200 Burrard Street, PO Box 48600
Vancouver, British Columbia
V7X 1T2

Attention: Dr. Anthony Holler, Chairman and Chief Executive Officer
Email: aholler@sunniva.com

with a copy (but not as notice) to:

Borden Ladner Gervais LLP
200 Burrard Street, 1200 Waterfront Centre
Vancouver, British Columbia
V7X 1T2

Attention: Warren Learmonth
Email: Wlearmonth@blg.com

(ii) to the Underwriters at:

Beacon Securities Limited
66 Wellington Street West, Suite 4050
Toronto, Ontario M5K 1H1

Attention: Mario Maruzzo
Email: mmaruzzo@beaconsecurities.ca

Canaccord Genuity Corp.
609 Granville Street, Suite 2100
Vancouver, BC V7Y 1H2

Attention: Frank Sullivan
Email: Frank.Sullivan@canaccord.com

Bloom Burton Securities Inc.
65 Front Street East, Suite 300
Toronto, ON M5E 1B5

Attention: Jolyon Burton
Email: jburton@bloomburton.com

with a copy (but not as notice) to:

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Attention: Jay King
Email: jking@casselsbrock.com

or at such other address or email address as may be given by either of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when delivered or, if email, on the next Business Day after such notice or other communication has been facsimile (with receipt confirmed).

Section 21 Counterpart Signature

This Agreement may be executed in one or more counterparts (including counterparts by facsimile or by other means of electronic transmission) which, together, shall constitute an original copy hereof as of the date first noted above.

Section 22 Enforceability

To the extent permitted by applicable law, 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.

Section 23 Successors and Assigns

The terms and provisions of this Agreement will be binding upon and enure to the benefit of the Corporation and the Underwriters and their respective successors and assigns; provided that, except as otherwise provided in this Agreement, this Agreement will not be assignable by any party without the written consent of the others and any purported assignment without that consent will be invalid and of no force and effect.

Section 24 Entire Agreement; Time of the Essence

This Agreement, including Schedule "A" hereto, constitutes the entire agreement between the Underwriters and the Corporation relating to the subject matter hereof and supersedes all prior agreements between the Underwriters and the Corporation (including, for greater certainty, the Engagement Letter) and time shall be of the essence hereof.

Section 25 Market Stabilization

In connection with the distribution of the Units, the Underwriters may affect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by applicable Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Underwriters at any time.

Section 26 Further Assurances

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

Section 27 Relationship of the Underwriters

In performing their respective obligations under this Agreement, the Underwriters shall be acting severally and not jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Underwriters.

Section 28 No Fiduciary Duty

The Corporation hereby acknowledges that:(a) the purchase and sale of the Units pursuant to this Agreement is an arm's-length commercial transaction between the Corporation, on the one hand, and the Underwriters and any affiliate through which they may be acting, on the other, (b) the Underwriters are acting as principals and not as an agents or fiduciaries of the Corporation, and (c) the engagement of the Underwriters by the Corporation in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether any of the Underwriters has advised or is currently advising the Corporation on related or other matters). The Corporation agrees that it will not claim that the Underwriters owe an agency, fiduciary or similar duty to the Corporation in connection with such transaction or the process leading thereto.

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If this offer accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by the Corporation please communicate your acceptance by executing where indicated below and returning by facsimile one copy and returning by courier one originally executed copy to the Underwriters.

Yours very truly,

BEACON SECURITIES LIMITED

"*Mario Maruzzo*"

Mario Maruzzo
Authorized Signing Officer

CANACCORD GENUITY CORP.

"*Frank Sullivan*"

Frank Sullivan
Authorized Signing Officer

BLOOM BURTON SECURITIES INC.

"*Jolyon Burton*"

Jolyon Burton
Authorized Signing Officer

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

SUNNIVA INC.

"*Anthony Holler*"

Dr. Anthony Holler
Chairman and Chief Executive Officer

SCHEDULE "A"

Terms and Conditions for United States Offers and Sales

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

Affiliate	means an "affiliate" as that term is defined in Rule 405 under the U.S. Securities Act;
Directed Selling Efforts	means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S;
Foreign Issuer	means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;
General Solicitation or General Advertising	means "general solicitation or general advertising", respectively, as used under Rule 502(c) of Regulation D under the U.S. Securities Act, including any advertisements, articles, notices or other communications published in any newspaper, magazine, the internet or similar media 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 or in any manner involving a public offering within the meaning of section 4(a)(2) of the U.S. Securities Act;
Offshore Transaction	means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;
Qualified Institutional Buyer	means a "qualified institutional buyer" as that term is defined in Rule 144A(a)(1) of the U.S. Securities Act;
Qualified Institutional Buyer Investment Letter	means the qualified institutional buyer investment letter in the form attached to the U.S. Placement Memorandum;
Regulation S	means Regulation S adopted by the SEC under the U.S. Securities Act;
Rule 144A	means Rule 144A under the U.S. Securities Act;
SEC	means the United States Securities and Exchange Commission
Substantial U.S. Market Interest	means "substantial U.S. market interest" as that term is defined in Regulation S;
U.S. Affiliate	means any U.S. registered broker-dealer affiliate of any Underwriter;

U.S. Exchange Act	means the United States Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder;
U.S. Person	means a "U.S. person" as that term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act; and
U.S. Securities Act	means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

All capitalized terms used herein without definition have the meanings ascribed thereto in the Underwriting Agreement.

Representations, Warranties and Covenants of the Underwriters

The Underwriters (on their own behalf and on behalf of their respective U.S. Affiliates) severally but not jointly or jointly and severally acknowledge that the Unit Shares and Warrants comprising the Units and the Warrant Shares issuable upon exercise of the 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, sold or delivered, directly or indirectly, to any U.S Person or any person within the United States or for the account or benefit of, persons within the United States or U.S. Persons except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, each of the Underwriters (on its own behalf and on behalf of its respective U.S. Affiliate) severally but not jointly or jointly and severally represents, warrants and covenants to the Corporation as of the date hereof and each Closing Date, and will cause its U.S. Affiliate to comply with such representations, warranties and covenants, that:

1. It has offered and sold, and will offer and sell, the Units forming part of its allotment only: (a) in an Offshore Transaction in accordance with Rule 903 of Regulation S or (b) to a limited number of Qualified Institutional Buyers in a manner consistent with the Units being sold in reliance upon Rule 144A and the Warrants sold to Qualified Institutional Buyers being exercised in reliance upon Section 4(a)(2) of the U.S. Securities Act, and as provided in this Schedule "A". Accordingly, neither the Underwriter, its affiliates nor any persons acting on its or their behalf, has made or will make (except as permitted in this Schedule "A"): (i) any offer to sell or any solicitation of an offer to buy, any Units in the United States, or for the account or benefit of, any person in the United States or any U.S. Person; (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and not a U.S. Person, or the Underwriter, its affiliates or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person; or (iii) any Directed Selling Efforts to, or for the account or benefit of, any person in the United States or any U.S. Person with respect to the Units;

2. Any offer, sale or solicitation of an offer to buy Units that has been made or will be made by it or its U.S. Affiliate in the United States, or to or for the account or benefit of, persons within the United States or U.S. Persons was or will be made only to persons reasonably believed by it and its U.S. Affiliate to be Qualified Institutional Buyers purchasing Units for its own account or for the account of one or more Qualified Institutional Buyers with respect to which it exercises sole investment discretion in accordance with Rule 144A in transactions that are exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws;

3. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with its affiliates, any selling group members or with the prior written consent of the Corporation. It shall require its U.S. Affiliate and each selling group member to agree in writing, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that its U.S. Affiliate and each selling group member complies with, the same provisions of this Schedule "A" as apply to such Underwriter as if such provisions applied to such U.S. Affiliate or selling group member;

4. All offers and sales of the Units in the United States, or to or for the account or benefit of, persons within the United States or U.S. Persons will be effected through its U.S. Affiliate, and such U.S. Affiliate is, and shall be on the date of each offer and sale of Units by it, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales of Units were or will be made (unless exempted from the respective state's broker-dealer registration requirements) and is, and shall be on the date of each offer and sale of Units by it, a member in good standing with the Financial Industry Regulatory

Authority, Inc. ("**FINRA**"). All offers and sales of Units in the United States, or to or for the account or benefit of, persons within the United States or U.S. Persons by it were made and will be made by its U.S. Affiliate in compliance with all applicable United States federal and state broker-dealer requirements and all applicable rules of FINRA. Each of it and its U.S. Affiliate is a Qualified Institutional Buyer;

5. None of it, its affiliates or any person acting on its or their behalf has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with its offers and sales of the Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons;

6. Immediately prior to soliciting offerees of Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons and at the time of completion of each sale to a purchaser of Units in the United States, or to or for the account or benefit of, persons in the United States or U.S. Persons, it, its U.S. Affiliate and any person acting on its or their behalf had reasonable grounds to believe and did believe that each offeree or purchaser, as applicable, solicited by it pursuant to Rule 144A was a Qualified Institutional Buyer with which it has a pre-existing relationship, and at the time of completion of each sale of Offered Securities to, or for the account or benefit of, such person in the United States or such U.S. Person, the Underwriter, its U.S. Affiliate, and any person acting on its or their behalf will have reasonable ground to believe and will believe, that each purchaser thereof is a Qualified Institutional Buyer;

7. Prior to the completion of any sale of Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons to a Qualified Institutional Buyer pursuant to Rule 144A, each such Qualified Institutional Buyer will be required to provide a duly executed Qualified Institutional Buyer Investment Letter;

8. Each offeree of Units solicited by it that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person shall be provided with a copy of one or both of the U.S. Preliminary Placement Memorandum and the U.S. Placement Memorandum. Each purchaser of Units from it that is, or is acting for the account or benefit of, a person in the United States or a U.S. Person shall be provided, prior to time of purchase of any Units, with a copy of the U.S. Placement Memorandum;

9. At least one Business Day prior to the time of delivery, it will provide the Corporation and its transfer agent with a list of all purchasers of the Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons;

10. At each Closing, each Underwriter (together with its U.S. Affiliate) that participated in the offer or sale of Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons will provide the Corporation with a certificate, substantially in the form of Appendix 1 to this Schedule "A", relating to the manner of the offer and sale of the Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons, or will be deemed to have represented and warranted for the benefit of the Corporation that neither it nor its U.S. Affiliate offered or sold Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons;

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

12. It had reason to believe that all offers and sales in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons were made to persons with knowledge and experience in financial and business matters such that he, she or it was capable of evaluating the merits and risks of the prospective investment in the Units;

13. None of it, its U.S. Affiliate or any person acting on its or their behalf has used nor will use any written material other than the Offering Documents and the Qualified Institutional Buyer Investment Letter in connection with offers and sales of Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons;

14. All purchasers of the Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons shall be informed that the Unit Shares and Warrants comprising the Units and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Units are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by either Rule 144A and pursuant to similar exemptions under applicable U.S. state securities laws; and

15. It acknowledges, on its own behalf and on behalf of its U.S. Affiliate, that until 40 days after the commencement of the Offering, an offer or sale of the Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees that:

1. The Corporation is, and as of each Closing Date will be, a Foreign Issuer and reasonably believed at the commencement of the Offering that there was no Substantial U.S. Market Interest with respect to the Common Shares or Warrants;

2. The Corporation is not, and as a result of the sale of the Units contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended;

3. Except with respect to offers and sales in accordance with this Schedule "A" to a limited number of Qualified Institutional Buyers in a manner consistent with the Units being sold in reliance upon Rule 144A and the Warrants sold to Qualified Institutional Buyers being exercised in reliance upon Section 4(a)(2) of the U.S. Securities Act, none of the Corporation, its affiliates (as defined in Rule 405 under the U.S. Securities Act) or any person acting on its or their behalf (other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on 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 Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States and not a U.S. Person or (ii) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person, in each case, in an Offshore Transaction;

4. During the period in which the Units are offered for sale, neither it nor any of its affiliates (as defined in Rule 405 under the U.S. Securities Act), nor any person acting on its or their behalf

(other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has engaged in or will engage in any Directed Selling Efforts in the United States or to U.S. Persons with respect to the Units, or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act with respect to the Units or that would cause the exemptions afforded by Rule 144A to be unavailable for offers and sales of Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons in accordance with this Schedule "A", or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Units outside the United States in accordance with the Underwriting Agreement and this Schedule "A";

5. None of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriters, their respective affiliates, any members of the selling group or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, the Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

6. The Units satisfy the requirements set forth in Rule 144A(d)(3) under the U.S. Securities Act;

7. None of the Corporation or 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. The Corporation will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the sale of the Units;

9. For so long as any of the Units which have been sold to, or for the account or benefit of, persons in the United States or U.S. Persons in reliance upon Rule 144A are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or Section 15(d) of the U.S. Exchange Act or exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Corporation will provide to any holder of such Units, or to any prospective purchaser of such Units designated by such holder, upon the request of such holder or prospective purchaser, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4) of the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of such Units to effect resales under Rule 144A); and

10. Except with respect to the offer and sale of the Units offered under this Agreement, the Corporation has not and will not offer or sell any securities in a manner that would be integrated with the offer and sale of the Units or exercises of the Warrants and would cause the exemptions from registration pursuant to Rule 144A or the exclusion from registration set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Units or the exemption from registration pursuant to Section 4(a)(2) of the U.S. Securities Act or the exclusion from registration set forth in Rule 903 of Regulation S to become unavailable with respect to exercises of the Warrants.

Appendix 1

to Schedule "A"

Underwriter's Certificate

In connection with the private placement of Units in the United States, or to or for the account or benefit of, persons in the United States or U.S. Persons (the "**Units**") of Sunniva Inc. (the "**Corporation**") pursuant to the underwriting agreement dated as of March 12, 2018 (the "**Underwriting Agreement**") among the Corporation and the underwriters named therein, the undersigned does hereby certify as follows:

(i) [**Name of U.S. Affiliate**] (the "**U.S. Affiliate**") is on the date hereof, and was at the time of each offer and sale of Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons, made by it, a duly registered broker or dealer under the U.S. Exchange Act and all applicable U.S. state securities laws (unless exempted from the respective state's broker-dealer registration requirements), is and was a member of and is in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and the date of each offer and sale of Units by it;

(ii) the U.S. Affiliate provided each offeree to which it offered Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons with a copy of one or both of the Preliminary U.S. Placement Memorandum and the U.S. Placement Memorandum and provided each purchaser of the Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons, prior to the purchase of any Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons, with a copy of the U.S. Placement Memorandum, and no other written material (other than the Qualified Institutional Buyer Investment Letter) has been or will be used in connection with offers and sales of Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons by us;

(iii) immediately prior to transmitting the Preliminary U.S. Placement Memorandum or the U.S. Placement Memorandum to such offerees and purchasers, we had reasonable grounds to believe and did believe that each such offeree and purchaser was a Qualified Institutional Buyer and, on the date hereof, we continue to believe that each such offeree or purchaser purchasing Units from us is a Qualified Institutional Buyer;

(iv) we obtained and delivered to the Corporation, for acceptance at the Closing a duly executed Qualified Institutional Buyer Investment Letter from each Qualified Institutional Buyer purchasing Units pursuant to Rule 144A;

(v) no form of Directed Selling Efforts, General Solicitation or General Advertising was used by us in connection with the offer or sale of the Units in the United States, or to, or for the account or benefit of, persons in the United States or U.S. Persons, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general

advertising or any public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

(vi) all offers and sales of Units in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons, have been effected in accordance with all applicable U.S. federal and state broker-dealer requirements;

(vii) we have not taken and will not take any action that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with offers and sales of the Units; and

(viii) all offers and sales of the Units have been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule "A" thereto.

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

DATED this ___ day of March, 2018.

[UNDERWRITER]

By: _____

[U.S. AFFILIATE]

By: _____

SCHEDULE "B"

FORM OF LOCK-UP AGREEMENT

[See attached.]

LOCK-UP AGREEMENT

Beacon Securities Limited
66 Wellington Street West, Suite 4050
Toronto, Ontario M5K 1H1

Canaccord Genuity Corp.
609 Granville Street, Suite 2100
Vancouver, BC V7Y 1H2

Bloom Burton Securities Inc.
65 Front Street East, Suite 300
Toronto, ON M5E 1B5

Re: Offering of Units of Sunniva Inc.

Ladies & Gentlemen:

Reference is made to an underwriting agreement dated March 12, 2018 (the "**Underwriting Agreement**") among Beacon Securities Limited ("**Beacon**"), Canaccord Genuity Corp. and Bloom Burton Securities Inc. (the "**Underwriters**") and Sunniva Inc. (the "**Company**"), whereby the Underwriters offered to purchase Units of the Company for resale on a "bought deal" underwritten basis (the "**Offering**").

The undersigned is an officer, director and/or principal shareholder of the Company who holds common shares of the Company ("**Common Shares**") or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares, as set out on page 3 of this Lock-Up Agreement (collectively, the "**Locked-Up Securities**") and, accordingly, recognizes that the Offering will benefit the Company. The undersigned has good and marketable title to the Locked-Up Securities and acknowledges that the Underwriers are relying on the representations and agreements of the undersigned contained in this Lock-Up Agreement in carrying out and completing the Offering.

In consideration of the foregoing, the undersigned hereby agrees that during the period commencing on the date hereof and continuing until the date that is ninety (90) days after the date of the closing of the Offering (the "**Lock-Up Period**"), the undersigned will not, directly or indirectly offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, or otherwise dispose of, transfer, assign, or announce any intention to do so, any Common Shares or any securities convertible into or exchangeable for Common Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, without the prior written consent of Beacon, on behalf of the Underwriters.

The foregoing restrictions shall not apply in respect of (i) transfers to affiliates of the undersigned, any family members of the undersigned, or any company, trust or other entity owned by or maintained for the benefit of the undersigned or any family members of the undersigned, (ii) transfers occurring by operation of law or in connection with transactions arising as a result of the death or incapacitation of the undersigned; provided, in each of (i) and (ii), that any such transferee or pledgee shall first execute a lock-up agreement in substantially the form hereof which lock-up

agreement shall remain in force until the remainder of the Lock-Up Period, (iii) transfers made pursuant to a *bona fide* take-over bid made to all holders of Common Shares or similar acquisition transaction involving a change of control of the Company, provided that in the event that the take-over or acquisition transaction is not completed, any securities shall remain subject to the restrictions contained in this Lock-Up Agreement, or (iv) the exercise of stock options held by the undersigned during the Lock-Up Period, provided that any securities received by the undersigned as a result of such exercise shall be subject to the restrictions contained in this Lock-Up Agreement.

This Lock-Up Agreement shall not be assigned by the undersigned without the prior written consent of Beacon on behalf of the Underwriters. The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-up Agreement and that, upon the reasonable request of the Underwriters, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement of this Lock-Up Agreement. This Lock-Up Agreement is irrevocable and shall be binding upon the heirs, legal representatives, successors and assigns of the undersigned.

This Lock-Up Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein and may be executed by facsimile or PDF signature and as so executed shall constitute an original.

(signature page to follow)

DATED this _____ day of _____, 2018.

NAME OF SECURITYHOLDER:

_____

_____
(Signature of Securityholder)

_____
(Signature of Witness)

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

_____

_____

_____