

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the “**Agreement**”), dated as of March 31, 2021, is between Nextleaf Solutions Ltd., a company incorporated under the laws of the province of British Columbia, Canada with offices located at #304-68 Water Street, Vancouver, BC V6B 1A4 (the “**Company**”), and **[Redacted – Commercially Sensitive Information]** (the “**Buyer**”).

RECITALS

A. The Company and the Buyer are executing and delivering this Agreement in reliance upon the exemption from the prospectus requirements of applicable Canadian Securities Laws (as defined below) afforded by Section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) of the Canadian Securities Administrators.

B. The Company has authorized the issuance of a senior secured convertible note of the Company in the principal amount of \$3,300,000.00, substantially in the form attached hereto as **Exhibit A** (the “**Note**”), which Note shall be convertible into Common Shares (as defined below) (and such Common Shares issuable pursuant to the terms of the Note, including, without limitation, upon conversion or otherwise, collectively, the “**Conversion Shares**”), in accordance with the terms of the Note, and warrants to acquire up to 6,875,000 Common Shares (as defined herein), substantially in the form attached hereto as **Exhibit B** (the “**Warrants**”) (the Common Shares issuable upon exercise of the Warrants in accordance with the terms of the Warrants, collectively, the “**Warrant Shares**”).

C. The Note, the Conversion Shares, the Warrants and the Warrant Shares are collectively referred to herein as the “**Securities**.”

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE OF SECURITIES

(a) **Purchase of Securities.** Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, the Company shall issue and sell to the Buyer, and the Buyer agrees to purchase from the Company on the Closing Date (as defined below) (i) a Note in the aggregate original principal amount of \$3,300,000.00 and (ii) a Warrant to acquire up to 6,875,000 Warrant Shares. The offer, issuance, sale and delivery of the Securities is conditional upon such sale being exempt from the prospectus requirements of applicable Canadian securities laws.

(b) **Closing.** The closing (the “**Closing**”) of the purchase of the Note and Warrants by the Buyer shall occur through electronic means. The date and time of the Closing (the “**Closing Date**”) shall be 10:00 a.m., Toronto time, on the first (1st) Business Day on which the conditions to the Closing set forth in Sections 6 and 7 below are satisfied or waived (or such other date and time as is mutually agreed to by the Company and each Buyer). As used herein “**Business Day**” means any day other than Saturday, Sunday or other day on which commercial banks in the Province of Ontario are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to “stay at home”, “shelter-in-place”, “non-essential employee” or any other similar orders or restrictions or the closure of any physical branch locations at the

direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in the Province of Ontario generally are open for use by customers on such day.

(c) Purchase Price - Note and Warrants. The aggregate purchase price for the Note and Warrants to be purchased by the Buyer (the “**Purchase Price**”) shall be \$3,000,000.00, to be purchased by the Buyer at the Closing.

(d) Tax Matters. The Buyer and the Company mutually agree that the allocation of the issue price of the Note and the Warrants shall be an aggregate amount of \$**[Redacted – Commercially Sensitive Information]** allocated to the Warrants and the balance of the Purchase Price allocated to the Note, and neither the Buyer nor the Company shall take any position inconsistent with such allocation in any tax return or in any judicial or administrative proceeding in respect of taxes. The Company and Buyer acknowledge that the Note will be issued with the original issue discount for income tax purposes as determined in accordance with this Section 1(d).

(e) Form of Payment - Note and Warrants. On the Closing Date, (i) the Buyer shall pay the respective Purchase Price (less the amounts withheld pursuant to Section 4(i)) to the Company for the Note and the Warrants at the Closing, by wire transfer of immediately available funds in accordance with the Flow of Funds Letter (as defined below) and (ii) the Company shall deliver to the Buyer (A) a Note in the aggregate original principal amount of \$3,300,000.00, and (B) a Warrant pursuant to which the Buyer shall have the right to initially acquire up to 6,875,000 Warrant Shares duly executed on behalf of the Company and registered in the name of the Buyer or its designee.

2. BUYER’S REPRESENTATIONS AND WARRANTIES.

The Buyer represents and warrants to the Company that, as of the date hereof and as of the Closing Date:

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(a) Organization; Authority. The Buyer is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents (as defined below) to which it is a party and otherwise to carry out its obligations hereunder and thereunder. The Buyer was not created, or is not being used, solely to permit purchases of or to hold securities without a prospectus in reliance on a prospectus exemption.

(b) Risk Acknowledgement. The Buyer has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment in the Company and is able to bear the economic risk of loss of such investment. The Buyer is aware that there are securities and tax laws applicable to the holding and disposition of the Securities and the Buyer agrees to comply with any applicable laws concerning the purchase, holding and resale of the Securities.

(c) No Public Sale or Distribution. The Buyer (i) is acquiring the Note and Warrants, (ii) upon conversion of the Note will acquire the Conversion Shares issuable upon conversion thereof, and (iii) upon exercise of the Warrants will acquire the Warrant Shares issuable upon exercise thereof, in each case, as principal for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the 1933 Act or qualified for public distribution or exempted under the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and published interpretation notes of, the securities regulatory authorities of the provinces and territories of Canada (the “**Canadian Securities Laws**”); provided, however, by making the representations herein, the Buyer does

not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption from registration under the 1933 Act or pursuant to Canadian Securities Laws. The Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Securities in violation of applicable securities laws. For purposes of this Agreement, “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, trustee, executor, administrator, or other legal representative, an unincorporated organization, any other entity and any Governmental Entity or any department or agency thereof.

(d) Accredited Investor Status. The Buyer is an “accredited investor” as that term is defined in NI 45-106 and has properly completed, executed and delivered to the Company this Agreement together with the Accredited Investor Status Certificate attached hereto as Schedule A, and the acknowledgments, representations, warranties, covenants and information contained herein and therein are true and correct as of the date hereof and will be true and correct as of the Closing Date and if less than a complete copy of this Agreement is delivered to the Company, the Company and its advisors are entitled to assume that the Buyer accepts and agrees to all the terms and conditions of the pages not delivered, unaltered.

(e) Reliance on Exemptions. The Buyer understands that the Securities are being offered and sold to it in reliance on specific exemptions from the prospectus requirements of applicable Canadian Securities Laws, and that the Company is relying in part upon the truth and accuracy of, and the Buyer’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Securities. The Buyer understands and acknowledges that the offer, issuance, sale and delivery of the Securities is conditional upon such sale being exempt from the prospectus requirements of applicable Canadian Securities Laws.

(f) Information. The Buyer and its advisors, if any, have accessed all materials relating to the business, finances and operations of the Company filed by the Company on the System for Electronic Document Analysis and Retrieval (SEDAR) and materials relating to the offer and sale of the Securities that have been requested by the Buyer. The Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigations conducted by the Buyer or its advisors, if any, or its representatives shall modify, amend or affect the Buyer’s right to rely on the Company’s representations and warranties contained herein. The Buyer understands that its investment in the Securities involves a high degree of risk and the Buyer is solely responsible for obtaining such tax, investment, legal and other professional advice as it considers appropriate in connection with the investment in the Securities. The Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(g) Transfer or Resale. The Buyer understands that except as provided in Section 4(g) hereof: (i) the Securities have not been and are not being qualified for distribution under a prospectus under any Canadian Securities Laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently qualified for distribution thereunder, or (B) four months and one day have expired after the Closing Date pursuant to applicable Canadian Securities Laws; (ii) neither the Company nor any other Person is under any obligation to register the Securities under the 1933 Act or any state securities laws, or file a prospectus in respect of the Securities under any Canadian Securities Laws, or to comply with the terms and conditions of any exemption thereunder and (iii) any sale or transfer of the Securities to a purchaser or transferee whose address is in Canada (or who is a resident of Canada) is prohibited unless it is made in compliance with applicable Canadian Securities Laws, including without limitation the applicable provisions of National Instrument 45-102 *Resale of Securities*. Notwithstanding the foregoing, the Securities may be pledged in connection with a *bona fide* margin account or other loan or financing

arrangement secured by the Securities and such pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Buyer effecting a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document (as defined in Section 3(b)), including, without limitation, this Section 2(g). The Buyer has been advised to consult its own legal advisors with respect to the execution, delivery and performance by it of this Agreement and the transactions contemplated herein, including with respect to the hold periods imposed by Canadian Securities Laws and other applicable securities laws, and acknowledges that no representation has been made by the Company respecting the applicable hold periods imposed by Canadian Securities Laws or other resale restrictions applicable to the Securities which restrict the ability of the Buyer to resell such Securities, that the Buyer is solely responsible to find out what these restrictions are, that the Buyer is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions and that the Buyer aware that it may not resell such securities except in accordance with limited exemptions under Canadian Securities Laws and other applicable securities laws.

(h) No Governmental Review. The Buyer understands that no United States federal or state agency, no Canadian securities regulatory authority or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(i) Regulation S. The Buyer (1) is not a “U.S person” as defined in Regulation 902 of Regulation S, (2) is not purchasing the Securities as the result of any “directed selling efforts” (as defined in Rule 902(c) of Regulation S, and including any press releases made by the Company relating to this proposed offering of the Securities or any report, notification or summary of the same) made in the United States by the Company, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing and (3) the current structure of this transaction and all transactions and activities contemplate hereunder is not a scheme to avoid the registration requirements of the 1933 Act or any applicable state securities laws.

(j) Residence. The Buyer is resident, or if not an individual has its head office, in the British Virgin Islands. Such address was not created and is not used solely for the purpose of acquiring the Securities and the Buyer was solicited to purchase the Securities only in such jurisdiction.

(k) International Jurisdictions. The Buyer is resident in a jurisdiction outside of Canada (an “**International Jurisdiction**”), and currently has knowledge and experience or has consulted the Buyer’s own counsel, accountant or investment advisor, with respect to the investment contemplated hereby and applicable securities laws of the International Jurisdiction in which the Buyer resides which would apply to this subscription. The Buyer is purchasing the Securities in compliance with or pursuant to exemptions from any prospectus, registration or similar requirements under the applicable securities laws of the International Jurisdiction in which the Buyer resides (and the Buyer shall deliver to the Company such further particulars of such applicable securities laws or exemptions and the Buyer’s qualifications thereunder as the Company may request), and the purchase and sale of the Securities does not trigger any obligation to prepare and file a prospectus, offering memorandum, registration statement or similar document, or any other report with respect to such purchase and/or any registration or other obligation on the part of the Company. No applicable securities laws of the International Jurisdiction in which the Buyer resides require the Company to make any filings or seek any approvals of any kind whatsoever from any securities commission or regulatory authority of any kind whatsoever in the jurisdiction of residence of the Buyer. The Buyer has satisfied itself as to the full observance of the laws of its jurisdiction in connection with its purchase of the Securities or any use of the Securities, including (A) the legal requirements within its jurisdiction for the purchase of the Securities, (B) any foreign exchange restrictions applicable to such purchase of the Securities, (C) any governmental or other consents that may

need to be obtained, and (D) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, exercise, redemption, sale, or transfer of the Securities. The Buyer's own subscription and payment for and continued beneficial ownership of the Securities will not violate any applicable securities laws.

(l) No Control Person. The Buyer is not, with respect to the Company or any of its affiliates, a "control person" as such term is defined in Subsection 1(1) of the *Securities Act* (British Columbia) and the completion of the transactions contemplated by this Agreement will not create a new "control person" as such term is defined in Subsection 1(1) of the *Securities Act* (British Columbia).

(m) Not Acting Jointly or in Concert. The Buyer is not acting jointly or in concert with any other Person for the purpose of the acquisition of the Securities.

(n) Validity; Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of the Buyer and shall constitute the legal, valid and binding obligations of the Buyer enforceable against the Buyer in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(o) No Conflicts. The execution, delivery and performance by the Buyer of this Agreement and the consummation by the Buyer of the transactions contemplated hereby will not (i) result in a violation of the organizational documents of the Buyer, or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Buyer is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to the Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Buyer to perform its obligations hereunder.

(p) Trade Sanctions. The Buyer is not a person or entity identified in any of the regulations made under the *United Nations Act* (Canada), the *Special Economic Measures Act* (Canada), the *Freezing Assets of Corrupt Foreign Officials Act* (Canada) or the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* (Canada) (collectively, the "**Trade Sanctions**"). The funds representing the Purchase Price which will be advanced by the Buyer to the Company hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**"), the United Kingdom's *Proceeds of Crime Act 2002* (the "**POCA**") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**"), and the Buyer acknowledges that the Company may in the future be required by law to disclose the Buyer's name and other information relating to this Agreement and the Buyer's purchase hereunder, on a confidential basis, pursuant to the PCMLTFA, the POCA, the PATRIOT Act, the *Criminal Code* (Canada), the Trade Sanctions, or otherwise under applicable law. To the best of its knowledge (a) none of the funds to be provided by the Buyer in payment of the Purchase Price (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States, or any other jurisdiction, or (ii) are being tendered on behalf of a Person or entity who has not been identified to the Buyer, and (b) the Buyer shall promptly notify the Company if the Buyer discovers that any of such representations ceases to be true, and to provide the Company with appropriate information in connection therewith.

(q) Indirect Collection of Personal Information. The Buyer acknowledges that this Agreement and the Schedules, Appendices and Exhibits hereto require the Buyer to provide certain personal information

to the Company. Such information is being collected by the Company for the purposes of completing the transactions contemplated by this Agreement, which includes without limitation determining the Buyer's eligibility to purchase the Securities under Canadian Securities Laws and other applicable securities laws and completing filings required by stock exchanges or securities regulatory authorities. The Buyer's personal information may be disclosed by the Company to: (a) stock exchanges or securities regulatory authorities, (b) the Canada Revenue Agency or other taxing authorities, and (c) any of the other parties involved in this Agreement, including legal counsel to the Company, and may be included in record books in connection with the transactions contemplated by this Agreement. By executing this Agreement, the Buyer is deemed to be consenting to the foregoing collection, use and disclosure of the Buyer's personal information. The Buyer also consents to the filing of copies or originals of any of the Buyer's documents described herein as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby. The information provided by the Buyer in this Agreement identifying among other things, the name, address, telephone number and email address of the Subscriber, the number of Notes and Warrants being purchased hereunder, the Purchase Price, the Closing Date and the exemption that the Buyer is relying on in purchasing the Note and Warrants will be disclosed to the applicable securities regulatory authorities of the provinces and territories of Canada (the "**Securities Commissions**"), and such information is being indirectly collected by the Securities Commissions pursuant to Canadian Securities Laws for the purposes of the administration and enforcement of Canadian Securities Laws. The Buyer hereby authorizes the indirect collection of such information by the Securities Commissions. In the event that the Buyer has any questions with respect to the indirect collection of such information, the Buyer should contact the applicable Securities Commission at the contact details provided in Schedule B.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Buyer that, as of the date hereof and as of the Closing Date:

(a) Organization and Qualification. Each of the Company and each of its Subsidiaries are entities duly organized and validly existing and in good standing under the laws of the jurisdiction in which they are formed and have the requisite power and authority to own their properties and to carry on their business as now being conducted and as presently proposed to be conducted. Each of the Company and each of its Subsidiaries is duly qualified as a foreign entity or extra-provincial entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to have a Material Adverse Effect (as defined below). As used in this Agreement, "**Material Adverse Effect**" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof) or condition (financial or otherwise) of the Company or any Subsidiary, individually or taken as a whole, (ii) the transactions contemplated hereby or in any of the other Transaction Documents (as defined below) or any other agreements or instruments to be entered into in connection herewith or therewith, or (iii) the authority or ability of the Company or any of its Subsidiaries to perform any of their respective obligations under any of the Transaction Documents (as defined below). Other than the Persons (as defined below) set forth on Schedule 3(a), the Company has no Subsidiaries. "**Subsidiaries**" means, other than those entities specifically excluded (as set forth on Schedule 3(a), any Person in which the Company, directly or indirectly, (I) owns any of the outstanding share capital or holds any equity or similar interest of such Person or (II) controls or operates all or any part of the business, operations or administration of such Person, and each of the foregoing, is individually referred to herein as a "**Subsidiary**".

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. Each Subsidiary has the requisite power and authority to enter into and perform its obligations under the Transaction Documents to which it is

a party. The execution and delivery of this Agreement and the other Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Note and the reservation for issuance and issuance of the Conversion Shares issuable upon conversion of the Note and the issuance of the Warrants and the reservation for issuance and issuance of the Warrant Shares issuable upon exercise of the Warrants have been duly authorized by the Company's board of directors and (other than any required filings with the Securities Commissions and the Canadian Securities Exchange (the "CSE") and any other filings as may be required by any Governmental Entity (as defined below)) no further filing, consent or authorization is required by the Company, its Subsidiaries, their respective boards of directors or their shareholders or other governing body. This Agreement has been, and the other Transaction Documents to which it is a party will be prior to the Closing, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law. "**Transaction Documents**" means, collectively, this Agreement, the Note and the Warrants and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the transactions contemplated hereby and thereby, as may be amended from time to time. "**Governmental Entity**" means any nation, state, county, city, town, village, district, or other political jurisdiction of any nature, federal, state, local, municipal, foreign, or other government, governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal), multi-national organization or body; or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature or instrumentality of any of the foregoing, including any entity or enterprise owned or controlled by a government or a public international organization or any of the foregoing.

(c) Issuance of Securities. The Note and Warrants have been duly created and authorized and upon issuance in accordance with the terms of the Transaction Documents shall be validly issued as fully paid and non-assessable and free from all preemptive or similar rights, mortgages, defects, claims, liens, pledges, charges, taxes, rights of first refusal, encumbrances, security interests and other encumbrances (collectively "**Liens**") with respect to the issuance thereof. As of the Closing, the Company shall have reserved for issuance from its duly authorized share capital not less than the sum of (i) the maximum number of Conversion Shares as may be issuable upon conversion of the Note (assuming for purposes hereof that (x) the Note is convertible at the Installment Conversion Price (as defined in the Note) assuming an Installment Date (as defined in the Note) as of the date hereof, and (y) any such conversion shall not take into account any limitations on the conversion of the Note set forth in the Note), and (ii) the maximum number of Warrant Shares as may be initially issuable upon exercise of the Warrants (without taking into account any limitations on the exercise of the Warrants set forth therein). Upon issuance or conversion in accordance with the Note or exercise in accordance with the Warrants (as the case may be), the Conversion Shares and the Warrant Shares, respectively, when issued, will be validly issued as fully paid and non-assessable and free from all preemptive or similar rights or Liens with respect to the issue thereof, with the holders being entitled to all rights accorded to a holder of Common Shares. Subject to the accuracy of the representations and warranties of the Buyer in this Agreement, the offer and issuance by the Company of the Securities is exempt from the prospectus requirements of Canadian Securities Laws. The Company is not generally in the business of trading in, or advising on, securities.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and its Subsidiaries and the consummation by the Company and its Subsidiaries of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Note, the Warrants, the Conversion Shares and the Warrant Shares and the reservation for issuance of the Conversion Shares and the Warrant Shares) will not (i) result in a violation of the Articles (as defined

below), certificate of formation, memorandum of association, articles of association, bylaws or other organizational documents of the Company or any of its Subsidiaries, or any share capital or other securities of the Company or any of its Subsidiaries, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including, without limitation, foreign, U.S. federal and state securities laws, Canadian Securities Laws, and the rules and regulations of the CSE and including all applicable foreign, federal and state laws, rules and regulations, including, without limitation, the laws, rules and regulations of the province of British Columbia and Canada) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected.

(e) Consents. Neither the Company nor any Subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with (other than filing a Form 45-106F1 *Report of Exempt Distribution* (the “**Form 45-106F1**”) with the Securities Commissions and obtaining approval of the CSE), any Governmental Entity or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by this Agreement and the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company or any Subsidiary is required to obtain pursuant to the preceding sentence (other than the Form 45-106F1 and any other filing that may be made after the Closing Date pursuant to applicable Canadian Securities Laws) have been or will be obtained or effected on or prior to the Closing Date, and neither the Company nor any of its Subsidiaries are aware of any facts or circumstances which might prevent the Company or any of its Subsidiaries from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents. The Company is not in violation of the requirements of the CSE and has no knowledge of any facts or circumstances which could reasonably lead to delisting or suspension of the Common Shares in the foreseeable future.

(f) Acknowledgment Regarding Buyer’s Purchase of Securities. The Company acknowledges and agrees that the Buyer is acting solely in the capacity of an arm’s length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that the Buyer is not (i) an “affiliate” (as defined in the *Securities Act* (British Columbia) (the “**BC Act**”) of the Company or any of its Subsidiaries or (ii) to its knowledge, a “beneficial owner” of more than 10% of the Common Shares (as defined in the BC Act). The Company further acknowledges that the Buyer is acting as a financial advisor or fiduciary of the Company or any of its Subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by the Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to the Buyer’s purchase of the Securities. The Company further represents to the Buyer that the Company’s and each Subsidiary’s decision to enter into the Transaction Documents to which it is a party has been based solely on the independent evaluation by the Company, each Subsidiary and their respective representatives.

(g) Placement Agent Fees. Except as disclosed in Schedule 3(g), neither the Company nor any of its Subsidiaries has engaged any placement agent or other agent in connection with the offer or sale of the Securities.

(h) No Integrated Offering. None of the Company, its Subsidiaries or any of their affiliates, nor any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require the filing of a prospectus in respect of any of the Securities under Canadian Securities Laws, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of shareholders of the Company for purposes of Canadian Securities Laws or under any applicable shareholder approval

provisions, including, without limitation, under the rules and regulations of the CSE or any other exchange or automated quotation system on which any of the securities of the Company are listed or designated for quotation. None of the Company, its Subsidiaries, their affiliates nor any Person acting on their behalf will take any action or steps that would require the filing of a prospectus under Canadian Securities Laws or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(i) Dilutive Effect. The Company understands and acknowledges that the number of Conversion Shares and Warrant Shares will increase in certain circumstances. The Company further acknowledges that its obligation to issue the Conversion Shares pursuant to the terms of the Note in accordance with this Agreement and the Note and the Warrant Shares upon exercise of the Warrants in accordance with this Agreement, the Note and the Warrants is, in each case, subject to the limitations on conversion and exercise described in Section 4(n) and the rules and policies of the CSE and contained in the terms of the Note and the Warrants, unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other shareholders of the Company.

(j) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested shareholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), shareholder rights plan or other similar anti-takeover provision under the Articles or other organizational documents or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to the Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and the Buyer's ownership of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any shareholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Common Shares or a change in control of the Company or any of its Subsidiaries.

(k) Disclosure Documents; Financial Statements. The Company has filed all reports, schedules, forms, proxy statements, statements and other documents required to be filed by it with the Securities Commissions in the Reporting Jurisdictions (as defined below) pursuant to the reporting requirements of the Canadian Securities Laws (all of the foregoing filed prior to the date hereof and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**Disclosure Documents**"). As of the time the Disclosure Documents were filed with the applicable Securities Commissions and on SEDAR (System for Electronic Document Analysis and Retrieval) (or, if amended, restated or superseded by a filing prior to the date of this Agreement), (i) each of the Disclosure Documents complied in all material respects with the requirements of applicable Canadian Securities Laws, and (ii) none of the Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the Disclosure Documents: (i) complied in all material respects with applicable accounting requirements and the published rules and regulations of applicable Canadian Securities Laws with respect thereto as in effect as of the time of filing, (ii) were prepared in accordance with International Financial Reporting Standards ("**IFRS**"), consistently applied, during the periods involved (except (a) as may be otherwise indicated in such financial statements or the notes thereto, or (b) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements), and (iii) fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). The reserves, if any, established by the Company or the lack of reserves, if applicable, are reasonable based upon facts and circumstances known

by the Company on the date hereof and there are no loss contingencies that are required to be accrued by the Statement of Financial Accounting Standard No. 5 of the Financial Accounting Standards Board which are not provided for by the Company in its financial statements or otherwise. No other information provided by or on behalf of the Company to the Buyer which is not included in the Disclosure Documents (including, without limitation, information referred to in Section 2(f) of this Agreement or in the disclosure schedules to this Agreement) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein not misleading, in the light of the circumstance under which they are or were made. The Company is not currently contemplating to amend or restate any of the financial statements (including, without limitation, any notes or any letter of the independent accountants of the Company with respect thereto) included in the Disclosure Documents (the “**Financial Statements**”), nor is the Company currently aware of facts or circumstances which would require the Company to amend or restate any of the Financial Statements, in each case, in order for any of the Financial Statements to be in compliance with IFRS and the rules and regulations of the CSE and the Canadian Securities Laws. The Company has not been informed by its independent accountants that they recommend that the Company amend or restate any of the Financial Statements or that there is any need for the Company to amend or restate any of the Financial Statements. “**Reporting Jurisdictions**” means the Provinces of British Columbia, Ontario and Alberta.

(l) Absence of Certain Changes. Since the date of the Company’s most recent Disclosure Document filed on SEDAR, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), condition (financial or otherwise) or prospects of the Company or any of its Subsidiaries that could reasonably be expected to result in a Material Adverse Effect. Since the date of the Company’s most recent audited financial statements filed on SEDAR, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, outside of the ordinary course of business, (iii) made any capital expenditures, individually or in the aggregate, outside of the ordinary course of business or (iv) made any revaluation of any of their respective assets, including, without limitation, writing down the value of capitalized inventory or writing off notes or accounts receivable or any sale of assets other than in the ordinary course of business. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company or any Subsidiary have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company and its Subsidiaries, individually and on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at the Closing, will not be Insolvent (as defined below). For purposes of this Section 3(l), “**Insolvent**” means, (i) with respect to the Company and its Subsidiaries, on a consolidated basis, (A) the present fair saleable value of the Company’s and its Subsidiaries’ assets is less than the amount required to pay the Company’s and its Subsidiaries’ total Indebtedness (as defined below), (B) the Company and its Subsidiaries are unable to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company and its Subsidiaries intend to incur or believe that they will incur debts that would be beyond their ability to pay as such debts mature; and (ii) with respect to the Company and each Subsidiary, individually, (A) the present fair saleable value of the Company’s or such Subsidiary’s (as the case may be) assets is less than the amount required to pay its respective total Indebtedness, (B) the Company or such Subsidiary (as the case may be) is unable to pay its respective debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company or such Subsidiary (as the case may be) intends to incur or believes that it will incur debts that would be beyond its respective ability to pay as such debts mature. Neither the Company nor any of its Subsidiaries has engaged in any business or in any transaction, and is not about to engage in any business or in any transaction, for which the Company’s or such Subsidiary’s remaining assets constitute unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(m) No Undisclosed Events, Liabilities, Developments or Circumstances. No event, liability, development or circumstance has occurred or exists, or is reasonably expected to exist or occur with respect to the Company, any of its Subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise), that (i) would be required to be disclosed by the Company under applicable securities laws on a prospectus filed pursuant to Canadian Securities Laws relating to an issuance and sale by the Company of its Common Shares and which has not been publicly announced, (ii) could have a material adverse effect on the Buyer's investment hereunder or (iii) could reasonably be expected to result in a Material Adverse Effect.

(n) Conduct of Business; Regulatory Permits. To the Company's knowledge, neither the Company nor any of its Subsidiaries is in violation of any term of or in default under its Articles, any certificate of designation, preferences or rights of any other outstanding series of preferred shares of the Company or any of its Subsidiaries or their organizational charter, certificate of formation, memorandum of association, articles of association, certificate of incorporation or bylaws, respectively. To the Company's knowledge, neither the Company nor any of its Subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation applicable to the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries will conduct its business in violation of any of the foregoing, except in all cases for possible violations which could not, individually or in the aggregate, have a Material Adverse Effect. Without limiting the generality of the foregoing, the Company is not in violation of any of the rules, regulations or requirements of the CSE and has no knowledge of any facts or circumstances that could reasonably lead to delisting or suspension of the Common Shares by the CSE in the foreseeable future. Since March 19, 2019, (i) the Common Shares have been listed or designated for quotation on the CSE, (ii) trading in the Common Shares has not been suspended by the Securities Commissions or the CSE and (iii) the Company has received no communication, written or oral, from the Securities Commissions or the CSE regarding the suspension or delisting of the Common Shares from the CSE. The Company and each of its Subsidiaries possess all certificates, authorizations and permits issued by the appropriate regulatory authorities necessary to conduct their respective businesses, except where the failure to possess such certificates, authorizations or permits would not have, individually or in the aggregate, a Material Adverse Effect, and neither the Company nor any such Subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit. There is no agreement, commitment, judgment, injunction, order or decree binding upon the Company or any of its Subsidiaries or to which the Company or any of its Subsidiaries is a party which has or would reasonably be expected to have the effect of prohibiting or materially impairing any business practice of the Company or any of its Subsidiaries, any acquisition of property by the Company or any of its Subsidiaries or the conduct of business by the Company or any of its Subsidiaries as currently conducted other than such effects, individually or in the aggregate, which have not had and would not reasonably be expected to have a Material Adverse Effect on the Company or any of its Subsidiaries.

(o) Foreign Corrupt Practices. To the Company's knowledge, neither the Company, its Subsidiaries nor any director, officer, agent, employee, nor any other person acting for or on behalf of the foregoing (individually and collectively, a "**Company Affiliate**") have violated the U.S. Foreign Corrupt Practices Act (the "**FCPA**") or any other applicable anti-bribery or anti-corruption laws, nor has any Company Affiliate offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, to any officer, employee or any other person acting in an official capacity for any Governmental Entity to any political party or official thereof or to any candidate for political office (individually and collectively, a "**Government Official**") or to any person under circumstances where such Company Affiliate knew or was aware of a high probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of:

(i) (A) influencing any act or decision of such Government Official in his/her official capacity, (B) inducing such Government Official to do or omit to do any act in violation of

his/her lawful duty, (C) securing any improper advantage, or (D) inducing such Government Official to influence or affect any act or decision of any Governmental Entity, or

(ii) assisting the Company or its Subsidiaries in obtaining or retaining business for or with, or directing business to, the Company or its Subsidiaries.

(p) Transactions With Affiliates. Other than as disclosed in the audited financial statements of the Company for the year ended September 30, 2020, no current or former employee, partner, director, officer or shareholder (direct or indirect) of the Company or its Subsidiaries, or any associate, or, to the knowledge of the Company, any affiliate of any thereof, or any relative with a relationship no more remote than first cousin of any of the foregoing, is presently, or has ever been, (i) a party to any transaction with the Company or its Subsidiaries (including any contract, agreement or other arrangement providing for the furnishing of services by, or rental of real or personal property from, or otherwise requiring payments to, any such director, officer or shareholder or such associate or affiliate or relative Subsidiaries (other than for ordinary course services as employees, officers or directors of the Company or any of its Subsidiaries)) or (ii) the direct or indirect owner of an interest in any corporation, firm, association or business organization which is a competitor, supplier or customer of the Company or its Subsidiaries (except for a passive investment (direct or indirect) in less than 5% of the common equity of a company whose securities are traded on or quoted through an Eligible Market (as defined in the Note)), nor does any such Person receive income from any source other than the Company or its Subsidiaries which relates to the business of the Company or its Subsidiaries or should properly accrue to the Company or its Subsidiaries. No employee, officer, shareholder or director of the Company or any of its Subsidiaries or member of his or her immediate family is indebted to the Company or its Subsidiaries, as the case may be, nor is the Company or any of its Subsidiaries indebted (or committed to make loans or extend or guarantee credit) to any of them, other than (i) for payment of salary for services rendered, (ii) reimbursement for reasonable expenses incurred on behalf of the Company, and (iii) for other standard employee benefits made generally available to all employees or executives (including share option agreements outstanding under any share option plan approved by the Board of Directors of the Company).

(q) Equity Capitalization.

(i) Authorized and Outstanding Share Capital. As of the date hereof, the authorized share capital of the Company consists of an unlimited number of Common Shares with no par value, of which 122,389,270 Common Shares are issued and outstanding and 35,609,457 Common Shares are reserved for issuance pursuant to Convertible Securities (other than the Note and the Warrants). “**Convertible Securities**” means any security of the Company or any of its Subsidiaries that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or convertible into, Common Shares. “**Common Shares**” means (x) the Company’s common shares, no par value per share, and (y) any share capital into which such common shares shall have been changed or any share capital resulting from a reclassification of such common shares.

(ii) Valid Issuance; Available Shares; Affiliates. All of the Company’s issued and outstanding Common Shares are duly authorized and have been validly issued as fully paid and non-assessable. Schedule 3(q)(ii) sets forth the number of Common Shares that are (A) reserved for issuance pursuant to Convertible Securities (other than the Note and the Warrants) and (B) that are, as of the date hereof, owned by Persons who are “affiliates” (as defined in the BC Act and calculated based on the assumption that only officers, directors and holders of at least 10% of the Company’s issued and outstanding Common Shares are “affiliates” without conceding that any such Persons are “affiliates” for purposes of Canadian Securities Laws) of the Company or any of its Subsidiaries. To the Company’s knowledge, no Person owns 10% or more of the Company’s issued and outstanding Common Shares (calculated based on the assumption that all Convertible Securities

(as defined below), whether or not presently exercisable or convertible, have been fully exercised or converted (as the case may be) taking account of any limitations on exercise or conversion contained therein without conceding that such identified Person is a 10% shareholder for purposes of Canadian Securities Laws).

(iii) Existing Securities; Obligations. (A) none of the Company's or any Subsidiary's shares, interests or share capital is subject to preemptive rights or any other similar rights or Liens suffered or permitted by the Company or any Subsidiary; (B) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares, interests or share capital of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares, interests or share capital of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares, interests or share capital of the Company or any of its Subsidiaries; (C) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to qualify for distribution by way of prospectus the sale of any of their securities under Canadian Securities Laws; (D) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (E) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; and (F) neither the Company nor any Subsidiary has any share appreciation rights or "phantom share" plans or agreements or any similar plan or agreement.

(iv) Organizational Documents. The Company has furnished to the Buyer true, correct and complete copies of the Company's Articles of Incorporation and amendments thereto as in effect on the date hereof (collectively, the "**Articles**"), and the terms of all Convertible Securities and the material rights of the holders thereof in respect thereto.

(r) Indebtedness and Other Contracts. Neither the Company nor any of its Subsidiaries, (i) except (A) as disclosed on Schedule 3(r); (B) for Permitted Indebtedness (as defined in the Note), and (C) trade payables owing in the ordinary course of Business, has any outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing Indebtedness of the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries is or may become bound, (ii) is a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) except for in respect of Permitted Liens (as defined in the Note) has any financing statements securing obligations in any amounts filed in connection with the Company or any of its Subsidiaries; (iv) is in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, or (v) is a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries have any liabilities or obligations required to be disclosed in the Disclosure Documents which are not so disclosed in the Disclosure Documents, other than those incurred in the ordinary course of the Company's or its Subsidiaries' respective businesses and which, individually or in the aggregate, do not or could not have a Material Adverse Effect. For purposes of this Agreement: (x) "**Indebtedness**" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, "capital leases" in accordance with IFRS) (other than trade payables entered

into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with IFRS, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above; and (y) “**Contingent Obligation**” means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any Indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

(s) Litigation. There is no action, suit, arbitration, proceeding, inquiry or investigation before or by the CSE, any court, public board, other Governmental Entity, self-regulatory organization or body pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries, the Common Shares or any of the Company’s or its Subsidiaries’ officers or directors, whether of a civil or criminal nature or otherwise, in their capacities as such, except as set forth in Schedule 3(s). Without limitation of the foregoing, there has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Securities Commissions involving the Company, any of its Subsidiaries or any current or former director or officer of the Company or any of its Subsidiaries. After reasonable inquiry of its employees, the Company is not aware of any fact which might result in or form the basis for any such action, suit, arbitration, investigation, inquiry or other proceeding. Neither the Company nor any of its Subsidiaries is subject to any order, writ, judgment, injunction, decree, determination or award of any Governmental Entity.

(t) Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. Neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for, and neither the Company nor any such Subsidiary has any reason to believe that it will be unable to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(u) Employee Relations. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. The Company and its Subsidiaries believe that their relations with their employees are good. No executive officer or other key employee of the Company or any of its Subsidiaries has notified the Company or any such Subsidiary that such officer intends to leave the Company or any such Subsidiary or otherwise terminate such officer’s employment with the Company or any such Subsidiary. No executive officer or other key employee of the Company or any of its Subsidiaries is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each

such executive officer or other key employee (as the case may be) does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all federal, provincial, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(v) Title.

(i) Real Property. Each of the Company and its Subsidiaries holds good title to all real property, leases in real property, facilities or other interests in real property owned or held by the Company or any of its Subsidiaries (the “**Real Property**”) owned by the Company or any of its Subsidiaries (as applicable). Except for Permitted Liens (as defined in the Note), the Real Property is free and clear of all Liens and is not subject to any rights of way, building use restrictions, exceptions, variances, reservations, or limitations of any nature except for (a) Liens for current taxes not yet due and (b) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto. Any Real Property held under lease by the Company or any of its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or any of its Subsidiaries.

(ii) Fixtures and Equipment. Each of the Company and its Subsidiaries (as applicable) has good title to, or a valid leasehold interest in, the tangible personal property, equipment, improvements, fixtures, and other personal property and appurtenances that are used by the Company or its Subsidiary in connection with the conduct of its business (the “**Fixtures and Equipment**”). The Fixtures and Equipment are structurally sound, are in good operating condition and repair, are adequate for the uses to which they are being put, are not in need of maintenance or repairs except for ordinary, routine maintenance and repairs and are sufficient for the conduct of the Company’s and/or its Subsidiaries’ businesses (as applicable) in the manner as conducted prior to the Closing. Except for Permitted Liens (as defined in the Note), each of the Company and its Subsidiaries owns all of its Fixtures and Equipment free and clear of all Liens except for (a) liens for current taxes not yet due and (b) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto.

(w) Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, original works of authorship, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and other intellectual property rights and all applications and registrations therefor (“**Intellectual Property Rights**”) necessary to conduct their respective businesses as now conducted and presently proposed to be conducted. Each of patents owned by the Company or any of its Subsidiaries is listed on Schedule 3(w). Except as set forth in Schedule 3(w), none of the Company’s Intellectual Property Rights have expired or terminated or have been abandoned or are expected to expire or terminate or are expected to be abandoned, within three years from the date of this Agreement. The Company does not have any knowledge of any infringement by the Company or its Subsidiaries of Intellectual Property Rights of others. There is no claim, action or proceeding being made or brought, or to the knowledge of the Company or any of its Subsidiaries, being threatened, against the Company or any of its Subsidiaries regarding its Intellectual Property Rights. Neither the Company nor any of its Subsidiaries is aware of any facts or circumstances which might give rise to any of the foregoing infringements or claims, actions or proceedings. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their Intellectual Property Rights.

(x) Environmental Laws.

(i) The Company and its Subsidiaries (A) are in compliance with any and all Environmental Laws (as defined below), (B) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (C) are in compliance with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (A), (B) and (C), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The term “**Environmental Laws**” means all federal, provincial, local or foreign laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, “**Hazardous Materials**”) into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

(ii) No Hazardous Materials (A) have been disposed of or otherwise released from any Real Property of the Company or any of its Subsidiaries in violation of any Environmental Laws; or (B) are present on, over, beneath, in or upon any Real Property or any portion thereof in quantities that would constitute a violation of any Environmental Laws. No prior use by the Company or any of its Subsidiaries of any Real Property has occurred that violates any Environmental Laws, which violation would have a material adverse effect on the business of the Company or any of its Subsidiaries.

(iii) Neither the Company nor any of its Subsidiaries knows of any other person who or entity which has stored, treated, recycled, disposed of or otherwise located on any Real Property any Hazardous Materials, including, without limitation, such substances as asbestos and polychlorinated biphenyls.

(y) Subsidiary Rights. The Company or one of its Subsidiaries has the unrestricted right to vote, and (subject to limitations imposed by applicable law) to receive dividends and distributions on, all capital securities of its Subsidiaries as owned by the Company or such Subsidiary.

(z) Tax Status. The Company and each of its Subsidiaries (i) has timely made or filed all foreign, federal and state income and all other material tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company and its Subsidiaries know of no basis for any such claim.

(aa) **[Intentionally Deleted]**

(bb) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company or any of its Subsidiaries and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its filings pursuant to Canadian Securities Laws or the rules and regulations of the CSE and is not so disclosed or that otherwise could be reasonably likely to have a Material Adverse Effect.

(cc) Acknowledgement Regarding Buyer's Trading Activity. It is understood and acknowledged by the Company that (i) following the public disclosure of the transactions contemplated by the Transaction Documents, in accordance with the terms thereof, the Buyer has not been asked by the Company or any of its Subsidiaries to agree, nor has the Buyer agreed with the Company or any of its Subsidiaries, to desist from effecting any transactions in or with respect to (including, without limitation, purchasing or selling, long and/or short) any securities of the Company, or "derivative" securities based on securities issued by the Company or to hold any of the Securities for any specified term; (ii) the Buyer, and counterparties in "derivative" transactions to which the Buyer is a party, directly or indirectly, presently may have a "short" position in the Common Shares which was established prior to the Buyer's knowledge of the transactions contemplated by the Transaction Documents; (iii) the Buyer shall not be deemed to have any affiliation with or control over any arm's length counterparty in any "derivative" transaction; and (iv) the Buyer may rely on the Company's obligation to timely deliver Common Shares upon conversion, exercise or exchange, as applicable, of the Securities as and when required pursuant to the Transaction Documents for purposes of effecting trading in the Common Shares of the Company. Subject to compliance with Section 4(y) below, the Company further understands and acknowledges that following the public disclosure of the transactions contemplated by the Transaction Documents pursuant to the Press Release (as defined below) the Buyer may engage in hedging and/or trading activities (including, without limitation, the location and/or reservation of borrowable Common Shares) at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value and/or number of the Warrant Shares or Conversion Shares, as applicable, deliverable with respect to the Securities are being determined and such hedging and/or trading activities (including, without limitation, the location and/or reservation of borrowable Common Shares), if any, can reduce the value of the existing shareholders' equity interest in the Company both at and after the time the hedging and/or trading activities are being conducted. Subject to compliance with Section 4(y) below, the Company acknowledges that such aforementioned hedging and/or trading activities do not constitute a breach of this Agreement, the Note, the Warrants or any other Transaction Document or any of the documents executed in connection herewith or therewith.

(dd) Manipulation of Price. Except as disclosed in Schedule 3(dd) or in connection with ordinary course digital marketing activities, neither the Company nor any of its Subsidiaries has, and, to the knowledge of the Company, no Person acting on their behalf has, directly or indirectly, (i) taken any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company or any of its Subsidiaries to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company or any of its Subsidiaries or (iv) paid or agreed to pay any Person for research services with respect to any securities of the Company or any of its Subsidiaries.

(ee) Transfer Taxes. On the Closing Date, all share transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance, sale and transfer of the Securities to be sold to each Buyer hereunder will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

(ff) Illegal or Unauthorized Payments; Political Contributions. Neither the Company nor any of its Subsidiaries nor, to the best of the Company's knowledge (after reasonable inquiry of its officers and directors), any of the officers, directors, employees, agents or other representatives of the Company or any of its Subsidiaries or any other business entity or enterprise with which the Company or any Subsidiary is or has been affiliated or associated, has, directly or indirectly, made or authorized any payment, contribution or gift of money, property, or services, whether or not in contravention of applicable law, (i) as a kickback or bribe to any Person or (ii) to any political organization, or the holder of or any aspirant to any elective or appointive public office except for personal political contributions not involving the direct

or indirect use of funds of the Company or any of its Subsidiaries.

(gg) Money Laundering. The Company and its Subsidiaries are in compliance with, and have not previously violated, the USA Patriot Act of 2001 and all other applicable U.S. and non- anti-money laundering laws and regulations, including, without limitation, the laws, regulations and Executive Orders and sanctions programs administered by the U.S. Office of Foreign Assets Control, including, but not limited, to (i) Executive Order 13224 of September 23, 2001 entitled, “Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism” (66 Fed. Reg. 49079 (2001)); and (ii) any regulations contained in 31 CFR, Subtitle B, Chapter V.

(hh) Management. During the past five year period, no current or former officer or director or, to the knowledge of the Company, no current ten percent (10%) or greater shareholder of the Company or any of its Subsidiaries has been the subject of:

(i) a petition under bankruptcy laws or any other insolvency or moratorium law or the appointment by a court of a receiver, fiscal agent or similar officer for such Person, or any partnership in which such person was a general partner at or within two years before the filing of such petition or such appointment, or any corporation or business association of which such person was an executive officer at or within two years before the time of the filing of such petition or such appointment;

(ii) a conviction in a criminal proceeding or a named subject of a pending criminal proceeding (excluding traffic violations that do not relate to driving while intoxicated or driving under the influence);

(iii) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining any such person from, or otherwise limiting, the following activities:

(1) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the United States Commodity Futures Trading Commission or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(2) Engaging in any particular type of business practice; or

(3) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of securities laws or commodities laws;

(iv) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any authority barring, suspending or otherwise limiting for more than sixty (60) days the right of any such person to engage in any activity described in the preceding sub paragraph, or to be associated with persons engaged in any such activity;

(v) a finding by a court of competent jurisdiction in a civil action or by the Securities Commissions or other authority to have violated any securities law, regulation or decree and the judgment in such civil action or finding by the Securities Commissions or any other authority has not been subsequently reversed, suspended or vacated; or

(vi) a finding by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding has not been subsequently reversed, suspended or vacated.

(ii) Share Option Plans. Each share option granted by the Company was granted (i) in accordance with the terms of the applicable share option plan of the Company and (ii) with an exercise price at least equal to the fair market value of the Common Shares on the date such share option would be considered granted under IFRS and applicable law. No share option granted under the Company's share option plan has been backdated. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company to knowingly grant, share options prior to, or otherwise knowingly coordinate the grant of share options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(jj) No Disagreements with Accountants and Lawyers. There are no material disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents. In addition, on or prior to the date hereof, the Company had discussions with its accountants about its financial statements previously filed with the Securities Commissions. Based on those discussions, the Company has no reason to believe that it will need to restate any such financial statements or any part thereof.

(kk) No Additional Agreements. The Company does not have any agreement or understanding with the Buyer with respect to the transactions contemplated by the Transaction Documents other than as specified in the Transaction Documents.

(ll) Ranking of Note. At the Closing, (i) no Indebtedness of the Company will be senior to or *pari passu* with the Note, other than Permitted Indebtedness (as defined in the Note) and, without duplication, other Indebtedness secured by Permitted Liens (as defined in the Note); and (ii) no Indebtedness of the Company will be secured by any Liens other than Permitted Liens (as defined in the Note).

(mm) Disclosure. The Company confirms that neither it nor any other Person acting on its behalf has provided the Buyer or their agents or counsel with any information that constitutes or could reasonably be expected to constitute material, non-public information concerning the Company or any of its Subsidiaries, other than the existence of the transactions contemplated by this Agreement and the other Transaction Documents. The Company understands and confirms that the Buyer will rely on the foregoing representations in effecting transactions in securities of the Company. All disclosure provided to the Buyer regarding the Company and its Subsidiaries, their businesses and the transactions contemplated hereby, including the schedules to this Agreement, furnished by or on behalf of the Company or any of its Subsidiaries is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. All of the written information furnished after the date hereof by or on behalf of the Company or any of its Subsidiaries to each Buyer pursuant to or in connection with this Agreement and the other Transaction Documents, taken as a whole, will be true and correct in all material respects as of the date on which such information is so provided and will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Each press release issued by the Company or any of its Subsidiaries during the twelve (12) months preceding the date of this Agreement did not at the time of release contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in

order to make the statements therein, in the light of the circumstances under which they are made, not misleading. No event or circumstance has occurred or information exists with respect to the Company or any of its Subsidiaries or its or their business, properties, liabilities, prospects, operations (including results thereof) or conditions (financial or otherwise), which, under applicable law, rule or regulation, requires public disclosure at or before the date hereof or announcement by the Company but which has not been so publicly disclosed. All financial projections and forecasts that have been prepared by or on behalf of the Company or any of its Subsidiaries and made available to you have been prepared in good faith based upon reasonable assumptions and represented, at the time each such financial projection or forecast was delivered to the Buyer, the Company's best estimate of future financial performance (it being recognized that such financial projections or forecasts are not to be viewed as facts and that the actual results during the period or periods covered by any such financial projections or forecasts may differ from the projected or forecasted results). The Company acknowledges and agrees that the Buyer makes or has made no representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 2.

4. COVENANTS.

(a) Best Efforts. The Buyer shall use its best efforts to timely satisfy each of the covenants hereunder and conditions to be satisfied by it as provided in Section 6 of this Agreement. The Company shall use its best efforts to timely satisfy each of the covenants hereunder and conditions to be satisfied by it as provided in Section 7 of this Agreement.

(b) Form 45-106F1. The Company shall comply with all applicable foreign, federal, state and local laws, statutes, rules, regulations and the like relating to the offering and sale of the Securities to the Buyer. The Company shall file a Form 45-106F1 with the Securities Commissions in the Reporting Jurisdictions, after the Closing Date within the time prescribed by Canadian Securities Laws.

(c) Reporting Status. Until the date on which the Buyer shall have sold all of the Underlying Securities (the "**Reporting Period**"), the Company shall timely file all reports required to be filed with the Securities Commissions pursuant to applicable Canadian Securities Laws, and the Company shall not terminate its status as an issuer required to file reports under applicable Canadian Securities Laws even if such applicable Canadian Securities Laws or the rules and regulations of the CSE, as applicable, would no longer require or otherwise permit such termination. "**Underlying Securities**" means the (i) the Conversion Shares, (ii) the Warrant Shares and (iii) any share capital of the Company issued or issuable with respect to the Conversion Shares, the Note, the Warrant Shares, or the Warrants, respectively, including, without limitation, (1) as a result of any share split, share dividend, recapitalization, exchange or similar event or otherwise and (2) shares of share capital of the Company into which the Common Shares are converted or exchanged and shares of share capital of a Successor Entity (as defined in the Warrants) into which the Common Shares are converted or exchanged, in each case, without regard to any limitations on conversion of the Note or exercise of the Warrants, as applicable.

(d) Use of Proceeds. The Company will use the proceeds from the sale of the Securities for general corporate purposes, but not, directly or indirectly, for (i) except as set forth on Schedule 4(d), the satisfaction of any indebtedness of the Company or any of its Subsidiaries, (ii) the redemption or repurchase of any securities of the Company or any of its Subsidiaries, or (iii) the settlement of any outstanding litigation.

(e) Financial Information. (i) The Company agrees to send the following to the Buyer during the Reporting Period unless the following are filed with the Securities Commissions through SEDAR and are available to the public through the SEDAR system or are otherwise widely disseminated via a recognized news release service: (A) within one (1) Business Day after the filing thereof with the Securities Commissions, a copy of any audited annual financial statements, interim financial statements,

management's discussion and analysis, proxy, material change reports and any other filings required pursuant to Canadian Securities Laws, (B) on the same day as the release thereof, facsimile copies of all press releases issued by the Company or any of its Subsidiaries and (C) copies of any notices and other information made available or given to the shareholders of the Company generally, contemporaneously with the making available or giving thereof to the shareholders.

(f) Current Public Information Failure. At any time commencing on the Closing Date and for so long as the Note or Warrants are outstanding, if the Company shall be listed as in default of its continuous filing obligations on the list of reporting issuers maintained by the British Columbia Securities Commission on its website at www.bcsc.bc.ca which is not rectified within ten (10) days of the date the Company is first noted as in default (a "**Current Public Information Failure**") then, in addition to the Buyer's other available remedies, the Company shall pay to the Buyer, in cash, as partial liquidated damages and not as a penalty, by reason of any such actual delay in or reduction of its ability to sell the Securities, an amount in cash equal to one and one half percent (1.5%) of the Purchase Price on the day of a Current Public Information Failure and on every thirtieth (30th) day (pro-rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Current Public Information Failure is cured and (b) such time that such public information is no longer required for the Buyer to publicly transfer the Underlying Securities without registration or exemption. The payments to which the Buyer shall be entitled pursuant to this Section 4(f) are referred to herein as "Current Public Information Failure Payments." Current Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Current Public Information Failure Payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to the Current Public Information Failure Payments is cured. In the event the Company fails to make Current Public Information Failure Payments in a timely manner, such Current Public Information Failure Payments shall bear interest at the rate of one and one half percent (1.5%) per month (prorated for partial months) until paid in full. Nothing herein shall limit the Buyer's right to pursue actual damages for the Current Public Information Failure, and the Buyer shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

(g) Listing. The Company shall promptly secure the listing or designation for quotation (as the case may be) of all of the Underlying Securities upon each national securities exchange and automated quotation system, if any, upon which the Common Shares is then listed or designated for quotation (as the case may be) (subject to official notice of issuance) and shall maintain such listing or designation for quotation (as the case may be) of all Underlying Securities from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system. The Company shall maintain the Common Shares' listing or authorization for quotation (as the case may be) on the CSE, Toronto Stock Exchange, TSX Venture Exchange, The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market or the Nasdaq Global Select Market (each, an "**Eligible Market**"). Neither the Company nor any of its Subsidiaries shall take any action which could be reasonably expected to result in the delisting or suspension of the Common Shares on an Eligible Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(g).

(h) Transfer Agent. The Company shall use best efforts to act in accordance with the terms of the service agreement dated as of May 24, 2019 between the Company and Odyssey Trust Company, as such agreement may be amended from time to time.

(i) Fees. The Company shall reimburse the Buyer for all costs and expenses incurred by it or its affiliates in connection with the structuring, documentation, negotiation and closing of the transactions contemplated by the Transaction Documents (including, without limitation, as applicable, the reasonable legal fees of TingleMerrett LLP, Canadian counsel to the Buyer, up to a maximum of \$**[Redacted – Commercially Sensitive Information]** exclusive of taxes and disbursements, any other

reasonable fees and expenses in connection with the structuring, documentation, negotiation and closing of the transactions contemplated by the Transaction Documents and due diligence and regulatory filings in connection therewith) (the “**Transaction Expenses**”) and shall be withheld by the Buyer from the Purchase Price at the Closing, less \$**[Redacted – Commercially Sensitive Information]** previously paid by the Company to TingleMerrett LLP. The Company shall be responsible for the payment of any placement agent’s fees, financial advisory fees, transfer agent fees or broker’s commissions (other than for Persons engaged by the Buyer) relating to or arising out of the transactions contemplated hereby. The Company shall pay, and hold each Buyer harmless against, any liability loss or expense (including, without limitation, reasonable attorneys’ fees and out-of-pocket expenses) arising in connection with any claim relating to any such payment. Except as otherwise set forth in the Transaction Documents, each party to this Agreement shall bear its own expenses in connection with the sale of the Securities to the Buyer.

(j) Pledge of Securities. Notwithstanding anything to the contrary contained in this Agreement, the Company acknowledges and agrees that the Securities may be pledged by the Buyer in connection with a *bona fide* margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and the Buyer shall not be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document, including, without limitation, Section 2(g) hereof; provided that the Buyer and its pledgee shall be required to comply with the provisions of Section 2(g) hereof in order to effect a sale, transfer or assignment of Securities to such pledgee. The Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by the Buyer.

(k) Disclosure of Transactions and Other Material Information.

(i) Disclosure of Transaction. The Company shall promptly, and in any event no later than 9:30 a.m. (Toronto time) on the first (1st) Business Day after the date of this Agreement, (i) issue a press release (the “**Press Release**”) reasonably acceptable to the Buyer disclosing all the material terms of the transactions contemplated by the Transaction Documents, and (ii) file a material change report with the Securities Commissions in the Reporting Jurisdictions describing all the material terms of the transactions contemplated by the Transaction Documents in the form required by applicable Canadian Securities Laws (the “**Material Change Report**”). From and after the filing of the Press Release, the Company shall have disclosed all material, non-public information (if any) provided to the Buyer by the Company or any of its Subsidiaries or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the filing of the Press Release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Buyer or any of their affiliates, on the other hand, shall terminate.

(ii) Limitations on Disclosure. The Company shall not, and the Company shall cause each of its Subsidiaries and each of its and their respective officers, directors, employees and agents not to, provide the Buyer with any material, non-public information regarding the Company or any of its Subsidiaries from and after the date hereof without the express prior written consent of the Buyer (which may be granted or withheld in the Buyer’s sole discretion). In the event of a breach of any of the foregoing covenants, including, without limitation, Section 4(p) of this Agreement, or any of the covenants or agreements contained in any other Transaction Document, by the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees and agents (as determined in the reasonable good faith judgment of the Buyer), in addition

to any other remedy provided herein or in the Transaction Documents, subject to at least two (2) Trading Day prior written notice to the Company, the Buyer shall have the right to make a public disclosure, in the form of a press release, public advertisement or otherwise, of such breach or such material, non-public information, as applicable, without the prior approval by the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees or agents. The Buyer shall not have any liability to the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees, affiliates, shareholders or agents, for any such disclosure. Subject to the foregoing, neither the Company, its Subsidiaries nor the Buyer shall issue any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, the Company shall be entitled, without the prior approval of the Buyer, to make the Press Release and any press release or other public disclosure with respect to such transactions (i) in substantial conformity with the Material Change Report and contemporaneously therewith and (ii) as is required by applicable law and regulations (provided that in the case of clause (i) the Buyer shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release). Without the prior written consent of the Buyer (which may be granted or withheld in the Buyer's sole discretion), the Company shall not (and shall cause each of its Subsidiaries and affiliates to not) disclose the name of the Buyer in any filing, announcement, release or otherwise. Notwithstanding anything contained in this Agreement to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that the Buyer shall not have (unless expressly agreed to by the Buyer after the date hereof in a written definitive and binding agreement executed by the Company and the Buyer (it being understood and agreed that the Buyer may not bind any other Buyer with respect thereto)), any duty of confidentiality with respect to, any material, non-public information regarding the Company or any of its Subsidiaries.

(iii) Other Confidential Information. Disclosure Failures; Disclosure Delay Payments.

In addition to other remedies set forth in this Section 4(k), and without limiting anything set forth in any other Transaction Document, at any time after the Closing Date if the Company, any of its Subsidiaries, or any of their respective officers, directors, employees or agents, provides the Buyer with material non-public information relating to the Company or any of its Subsidiaries (each, the "**Confidential Information**"), the Company shall, on or prior to the applicable Required Disclosure Date (as defined below), publicly disclose such Confidential Information on a material change report or otherwise (each, a "**Disclosure**"). From and after such Disclosure, the Company shall have disclosed all Confidential Information provided to the Buyer by the Company or any of its Subsidiaries or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon such Disclosure, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and the Buyer or any of its affiliates, on the other hand, shall terminate. In the event that the Company fails to effect such Disclosure on or prior to the Required Disclosure Date and the Buyer shall have possessed Confidential Information for at least ten (10) consecutive Trading Days (each, a "**Disclosure Failure**"), then, as partial relief for the damages to the Buyer by reason of any such delay in, or reduction of, its ability to buy or sell Common Shares after such Required Disclosure Date (which remedy shall not be exclusive of any other remedies available at law or in equity), the Company shall pay to the Buyer an amount in cash equal to the greater of (I) one percent (1.0%) of the aggregate Purchase Price and (II) the applicable Disclosure Restitution Amount, on each of the following dates (each, a "**Disclosure Delay Payment Date**"): (i) on the date of such Disclosure Failure and (ii) on every thirty (30) day anniversary such Disclosure Failure until the earlier of (x) the date such Disclosure Failure is cured and (y) such time as all such non-public information provided to the Buyer shall cease to be Confidential Information (as evidenced by a certificate, duly executed by an authorized officer of the Company

to the foregoing effect) (such earlier date, as applicable, a “**Disclosure Cure Date**”). Following the initial Disclosure Delay Payment for any particular Disclosure Failure, without limiting the foregoing, if a Disclosure Cure Date occurs prior to any thirty (30) day anniversary of such Disclosure Failure, then such Disclosure Delay Payment (prorated for such partial month) shall be made on the second (2nd) Business Day after such Disclosure Cure Date. The payments to which the Buyer shall be entitled pursuant to this Section 4(k)(iii) are referred to herein as “**Disclosure Delay Payments.**” In the event the Company fails to make Disclosure Delay Payments in a timely manner in accordance with the foregoing, such Disclosure Delay Payments shall bear interest at the rate of one percent (1.0%) per month (prorated for partial months) until paid in full.

(iv) For the purpose of this Agreement the following definitions shall apply:

(1) “**Disclosure Failure Market Price**” means, as of any Disclosure Delay Payment Date, the price computed as the quotient of (I) the sum of the five (5) highest VWAPs (as defined in the Warrants) of the Common Shares during the applicable Disclosure Restitution Period (as defined below), divided by (II) five (5) (such period, the “**Disclosure Failure Measuring Period**”). All such determinations to be appropriately adjusted for any share dividend, share split, share combination, reclassification or similar transaction that proportionately decreases or increases the Common Shares during such Disclosure Failure Measuring Period.

(2) “**Disclosure Restitution Amount**” means, as of any Disclosure Delay Payment Date, the product of (x) difference of (I) the Disclosure Failure Market Price less (II) the lowest purchase price, per Common Share, of any Common Shares issued or issuable to the Buyer pursuant to this Agreement or any other Transaction Documents, multiplied by (y) 10% of the aggregate daily dollar trading volume (as reported on Bloomberg (as defined in the Warrants)) of the Common Shares on the CSE for each Trading Day (as defined in the Warrants) either (1) with respect to the initial Disclosure Delay Payment Date, during the period commencing on the applicable Required Disclosure Date through and including the Trading Day immediately prior to the initial Disclosure Delay Payment Date or (2) with respect to each other Disclosure Delay Payment Date, during the period commencing the immediately preceding Disclosure Delay Payment Date through and including the Trading Day immediately prior to such applicable Disclosure Delay Payment Date (such applicable period, the “**Disclosure Restitution Period**”).

(3) “**Required Disclosure Date**” means (x) if the Buyer authorized the delivery of such Confidential Information, either (I) if the Company and the Buyer have mutually agreed upon a date (as evidenced by an e-mail or other writing) of Disclosure of such Confidential Information, such agreed upon date or (II) otherwise, the seventh (7th) calendar day after the date the Buyer first received any Confidential Information or (y) if the Buyer did not authorize the delivery of such Confidential Information, the first (1st) Business Day after the Buyer’s receipt of such Confidential Information.

(l) Additional Issuance of Securities. So long as the Buyer beneficially owns any Warrants, the Company will not, without the prior written consent of the Buyer, issue any other securities that would cause a breach or default under the Note or the Warrants.

(m) Reservation of Shares. So long as the Note or Warrants remain outstanding, the Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, no less than (i) the maximum number of Common Shares issuable upon conversion of the Note then outstanding (assuming for purposes hereof (z) the Note is convertible at the Installment Conversion

Price assuming an Installment Conversion Date as of such date of determination, and (y) any such conversion shall not take into account any limitations on the conversion of the Note set forth in the Note), and (ii) the maximum number of Warrant Shares issuable upon exercise of all the Warrants then outstanding (without regard to any limitations on the exercise of the Warrants set forth therein) (collectively, the “**Required Reserve Amount**”); provided that at no time shall the number of Common Shares reserved pursuant to this Section 4(m) be reduced other than proportionally in connection with any conversion, exercise and/or redemption, as applicable of Note and Warrants. If at any time the number of Common Shares authorized and reserved for issuance is not sufficient to meet the Required Reserve Amount, the Company will promptly take all corporate action necessary to authorize and reserve a sufficient number of shares, including, without limitation, calling a special meeting of shareholders to authorize additional shares to meet the Company’s obligations pursuant to the Transaction Documents, in the case of an insufficient number of authorized shares, obtain shareholder approval of an increase in such authorized number of shares, and voting the management shares of the Company in favor of an increase in the authorized shares of the Company to ensure that the number of authorized shares is sufficient to meet the Required Reserve Amount.

(n) Limitations on Exercises. The Company shall not effect the issuance of any Underlying Securities, as applicable, and the Buyer shall not have the right to convert or exercise any portion of the Note or Warrants, as applicable, pursuant to the terms and conditions hereof of thereof and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the Buyer together with the other Attribution Parties (as defined below) collectively would beneficially own or control, directly or indirectly, in excess of 9.99% (the “**Maximum Percentage**”) of the Common Shares outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of Common Shares beneficially owned by the Buyer and the other Attribution Parties shall include the number of Common Shares held by the Buyer and all other Attribution Parties plus the number of Common Shares issuable upon conversion or exercise of the Note or Warrants, as applicable, with respect to which the determination of such sentence is being made, but shall exclude Common Shares which would be issuable upon (A) exercise of the remaining, unexercised portion of the Note or Warrants beneficially owned by the Buyer or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred shares or warrants) beneficially owned by the Buyer or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 4(n). “**Attribution Parties**” means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Closing Date, directly or indirectly managed or advised by the Buyer’s investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Buyer or any of the foregoing, (iii) any Person acting or who could be deemed to be acting jointly or in concert with the Buyer or any of the foregoing and (iv) any other Persons whose beneficial ownership or control, whether directly or indirectly, of the Common Shares would or could be aggregated with the Buyer’s and the other Attribution Parties for purposes of the *Securities Act* (Ontario). For clarity, the purpose of the foregoing is to subject collectively the Buyer and all other Attribution Parties to the Maximum Percentage. “**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that “control” of a Person means the power directly or indirectly either to vote 10% or more of the shares having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(o) Conduct of Business. The business of the Company and its Subsidiaries shall not be conducted in violation of any law, ordinance or regulation of any Governmental Entity, except where such violations would not reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect.

(p) Variable Securities. So long as the Note remains outstanding, the Company and each Subsidiary shall be prohibited from effecting or entering into an agreement to effect any Subsequent Placement (as defined below) involving a Variable Rate Transaction (other than Excluded ATM Transactions (as defined below)). For the purposes of this section, (I) "Variable Rate Transaction" means a transaction in which the Company or any Subsidiary (i) issues or sells any Convertible Securities either (A) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the Common Shares at any time after the initial issuance of such Convertible Securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such Convertible Securities or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Shares, other than pursuant to a customary "weighted average" anti-dilution provision or (ii) enters into any agreement (including, without limitation, an equity line of credit or an "at-the-market" offering) whereby the Company or any Subsidiary may sell securities at a future determined price (other than standard and customary "preemptive" or "participation" rights and (II) "**Excluded ATM Transactions**" means any "at-the-market offering" (each, an "ATM") consummated by the Company either (i) at any time following the date hereof with no limitation on the aggregate number of Common Shares sold pursuant to such ATM for each sale occurring at a price greater than or equal to the Conversion Price then in effect (whether or not the Note is then outstanding) (the "**ATM Measuring Price**") or (ii) after the Canadian Resale Eligibility Date, and if any Common Shares sold pursuant to such ATM is at a price less than the ATM Measuring Price, in any given calendar month, the Company may sell no more of such Common Shares than (x) if such calendar month occurs during the period commencing on the Canadian Resale Eligibility Date through the twelve month anniversary of the Closing Date, \$**[Redacted – Commercially Sensitive Information]** pro rated for first calendar month immediately following the Canadian Resale Eligibility Date), (y) if such calendar month occurs during the period commencing on the calendar day immediately following the twelve month anniversary of the Closing Date through the eighteen month anniversary of the Closing Date \$**[Redacted – Commercially Sensitive Information]** or (z) if such calendar month occurs during the period commencing on the calendar day immediately following the eighteen month anniversary of the Closing Date through the thirty month anniversary of the Closing Date \$**[Redacted – Commercially Sensitive Information]**, in each case, in aggregate purchase price of such Common Shares and in each case in an amount not to exceed **[Redacted – Commercially Sensitive Information]**% of the aggregate monthly trading volume in any subject month. "**Subsequent Placement**" means the direct or indirect issue, offer, sale, grant of option or right to purchase of any equity security or any equity-linked or related security, any Convertible Securities, any debt or any preferred shares or any purchase rights including as pursuant to ATM Transactions that are not Excluded ATM Transactions. **[Redacted – Commercially Sensitive Information]** % of the gross proceeds from any Subsequent Placement allowable pursuant to this Section 4(p) shall be used by the Company for Additional Redemptions as defined in the Note.

(q) Restriction on Redemption and Cash Dividends. So long as the Note is outstanding, the Company shall not, directly or indirectly, redeem, or declare or pay any cash dividend or distribution on, any securities of the Company without the prior express written consent of the Buyer.

(r) Corporate Existence. So long as the Buyer beneficially owns the Note or any Warrants, the Company shall not be party to any Fundamental Transaction (as defined in the Note) unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Note and the Warrants.

(s) Share Splits. Until the Note is no longer outstanding, the Company shall not effect any share combination, reverse share split or other similar transaction (or make any public announcement or disclosure with respect to any of the foregoing) without the prior written consent of the Buyer, unless such

transaction is undertaken in connection with a listing on an Eligible Market or as a requirement to remain listed on an Eligible Market.

(t) Conversion and Exercise Procedures. Each of the form of Exercise Notice (as defined in the Warrants) included in the Warrants and the form of Conversion Notice (as defined in the Note) included in the Note set forth the totality of the procedures required of the Buyer in order to exercise the Warrants or convert the Note. No additional legal opinion, other information or instructions shall be required of the Buyer to exercise their Warrants or convert their Note. The Company shall honor exercises of the Warrants and conversions of the Note and shall deliver the Conversion Shares and Warrant Shares in accordance with the terms, conditions and time periods set forth in the Note and Warrants.

(u) Potential Conflicts with Subsequent Placements. None of the Company, any of its affiliates (as defined in BC Act), or any person acting on behalf of the Company or such affiliate will sell, offer for sale, or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the BC Act) or other Subsequent Placement which will be integrated or aggregated with the sale of the Securities in a manner which would reduce aggregate number of Common Shares available for issuance pursuant to the terms of the Note and/or the Warrants under the rules and regulations of the CSE and the Company will take all action that is appropriate or necessary to assure that its offerings of other securities or other Subsequent Placements will not be integrated or aggregated for purposes of the BC Act or the rules and regulations of the CSE, with the issuance of Securities contemplated hereby.

(v) **[Intentionally Deleted]**

(w) No Net Short Position. The Buyer and its affiliates hereby agree solely with the Company, severally and not jointly, for so long as the Buyer owns the Note, the Buyer shall not maintain a Net Short Position (as defined below). For purposes hereof, a “**Net Short Position**” by a person means a position whereby such person has executed one or more sales of Common Stock that is marked as a short sale (but not including any sale marked “short exempt”) and that is executed at a time when the Buyer has no equivalent offsetting long position in the Common Shares; provided, that, for purposes of such calculations, any short sales either (x) consummated at a price greater than or equal to the lower of (I) the Conversion Price then in effect or (II) the Exercise Price then in effect, (y) that is a result of a bona-fide trading error on behalf of the Buyer (or its affiliates) or (z) that would otherwise be marked as a “long” sale, but for the occurrence of a Conversion Failure (as defined in the Note), a Legend Removal Failure, a Delivery Failure (as defined in the Warrants), an Equity Conditions Failure (as defined in the Note) and/or any other breach by the Company (or its affiliates or agents, including, without limitation, the Transfer Agent) of any Transaction Document, in each case, shall be excluded from such calculations. For purposes of determining whether the Buyer has an equivalent offsetting “long” position in the Common Stock, (A) all Common Stock that is owned by the Buyer shall be deemed held “long” by the Buyer, (B) all Common Stock that would be issuable upon conversion or exercise in full of all Securities issuable to the Buyer or then held by the Buyer, as applicable (assuming that such Securities were then fully convertible or exercisable, notwithstanding any provisions to the contrary, and giving effect to any conversion or exercise price adjustments that would take effect given only the passage of time) shall be deemed to be held long by the Buyer, and (C) at any other time the Company is required (or has elected (or is deemed to have elected)) to issue shares of Common Stock to the Buyer pursuant to the terms of the Note and/or the Warrants, as applicable, any shares of Common Stock issued or issuable to the Buyer (or its designee, if applicable) in connection therewith shall be deemed held “long” by the Buyer from and after the date that is two (2) Trading Days prior to the deadline for delivery of such shares of Common Stock to the Buyer, as set forth in the Note and/or the Warrants, as applicable, until such time as the Buyer shall no longer beneficially own such shares of Common Stock. Notwithstanding the foregoing, this Section 4(w) shall not apply at any time an Event of Default (as defined in the Note) has occurred and is continuing or upon the occurrence of any event that, with the passage of time, would reasonably be expected to result in an Event of Default.

5. TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Transfer Agent Instructions. In connection with any given exercise of a Warrant and/or conversion of the Note, as applicable, the Company shall provide instructions to its transfer agent and any subsequent transfer agent (as applicable, the “**Transfer Agent**”) by way of a treasury direction at any time on or after four months and a day following the Closing Date (each, an “**Canadian Resale Eligibility Date**”), (i) provided that the Transfer Agent is participating in The Canadian Depository for Securities (“**CDS**”), credit such aggregate number of Underlying Shares to which the Buyer is entitled pursuant to such exercise or conversion, as applicable, (the “**Applicable Resale Shares**”) to the Buyer’s or its designee’s balance account with CDS (each such issuance and delivery of Applicable Resale Shares pursuant to this clause (i), an “**Electronic Share Issuance**”) or (ii) otherwise, to issue and deliver (via reputable overnight courier) to the address as specified in the Conversion Notice and/or Exercise Notice, as applicable, a certificate, registered in the name of such Investor (or its designee), for such Applicable Resale Shares (each such issuance and delivery of Applicable Resale Shares pursuant to this clause (ii), a “**Certificated Share Issuance**”, and together with each Electronic Share Issuance, each, a “**Share Issuance**”). Notwithstanding the foregoing, (I) whether or not the Applicable Resale Shares are eligible for an Electronic Share Issuance, if an Investor elects to effect such applicable Share Issuance pursuant to a Certificate Share Issuance in the Conversion Notice and/or Exercise Notice, as applicable, such Share Issuance shall be consummated as a Certificate Share Issuance and (II) if such Applicable Resale Shares are eligible to be delivered pursuant to both CDS in accordance with clause (i) of this Section 5(a), the Conversion Notice and/or Exercise Notice, as applicable, shall specify which method of delivery shall apply with respect thereto (or, in the absence of any such election or an election to deliver as a Certificate Share Issuance, such Applicable Resale Shares shall be delivered to such Investor (or its designee) in accordance with clause (i) of this Section 5(a)). The Company represents and warrants that no instruction other than the treasury direction referred to in this Section 5(a), and stop transfer instructions to give effect to Section 2(g) hereof, will be given by the Company to its transfer agent with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If a Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2(g), the Company shall permit the transfer and shall promptly instruct its transfer agent to affect each Share Issuance in such name and in such denominations as specified by such Investor to effect such sale, transfer or assignment. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to a Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(a) will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(a), that a Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required.

(b) Legends. The Buyer understands that the Securities have been issued (or will be issued in the case of the Conversion Shares and the Warrant Shares) pursuant to an exemption under applicable Canadian Securities Laws, and except as set forth below, any Securities issued pursuant to applicable Canadian Securities Laws, the certificates or other instruments representing the Note and the Warrants (and the Conversion Shares and Warrant Shares, if issued prior to the date that is four months and one day after the Closing Date) will bear the following legend:

UNLESS PERMITTED UNDER APPLICABLE SECURITIES LEGISLATION, THE
HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY IN CANADA
BEFORE AUGUST 1, 2021.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

(a) The obligation of the Company hereunder to issue and sell the Securities to the Buyer at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing the Buyer with prior written notice thereof:

(i) The Buyer shall have executed this Agreement together with each of the other Transaction Documents to which it is a party and delivered the same to the Company.

(ii) The Buyer shall have properly completed, executed and delivered the Accredited Investor Status Certificate attached hereto as Schedule A to the Company.

(iii) The Buyer shall have delivered to the Company the Purchase Price (less, in the case of the Buyer, the amounts withheld pursuant to Section 4(i)) for the Note and the related Warrants being purchased by the Buyer at the Closing by wire transfer of immediately available funds in accordance with the Flow of Funds Letter.

(iv) The representations and warranties of the Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date), and the Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Buyer at or prior to the Closing Date.

(v) The Buyer shall have delivered to the Company such other documents, instruments or certificates relating to the transactions contemplated by this Agreement as the Company or its counsel may reasonably request.

7. CONDITIONS TO THE BUYER'S OBLIGATION TO PURCHASE.

(a) The obligation of the Buyer hereunder to purchase the Securities at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Buyer's sole benefit and may be waived by the Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(i) The Company shall have duly executed and delivered to the Buyer each of the Transaction Documents to which it is a party, and the Company shall have duly executed and delivered to the Buyer (A) a Note in the original principal amount of \$3,300,000.00, and (B) a Warrant initially exercisable for 6,875,000 Warrant Shares, in each case, as being purchased by the Buyer at the Closing pursuant to this Agreement.

(ii) The Buyer shall have received the opinions of Aird Berlis LLP and Farris LLP, the Company's Canadian counsel, dated as of the Closing Date and in the form acceptable to the Buyer.

(iii) The Company shall have delivered to the Buyer a certificate evidencing the formation and good standing of the Company and each of its Subsidiaries in such entity's jurisdiction of formation, as of a date within ten (10) days of the Closing Date.

(iv) The Company shall have delivered to the Buyer a certificate, in the form acceptable to the Buyer, executed by the Secretary of the Company and dated as of the Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's board of directors in a form reasonably acceptable to the Buyer, and (ii) the Articles of the Company and the organizational documents of each Subsidiary.

(v) Each and every representation and warranty of the Company shall be true and correct in all material respects (except where such representation or warranty is qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects) as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date. The Buyer shall have received a certificate, duly executed by the Chief Executive Officer of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by the Buyer in the form acceptable to the Buyer.

(vi) The Company shall have delivered to the Buyer a letter from the Company's transfer agent certifying the number of Common Shares outstanding on the Closing Date immediately prior to the Closing.

(vii) The Common Shares (A) shall be designated for quotation or listed (as applicable) on the Canadian Securities Exchange (the "CSE") and (B) shall not have been suspended, as of the Closing Date, by the Securities Commissions or the CSE from trading on the CSE nor shall suspension by the Securities Commissions or the CSE have been threatened, as of the Closing Date, either (I) in writing by the Securities Commissions or the CSE or (II) by falling below the minimum listing maintenance requirements of the CSE.

(viii) The Company shall have obtained all governmental, regulatory or third party consents and approvals, if any, necessary for the sale of the Securities, including without limitation, those required by the CSE.

(ix) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or Governmental Entity of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(x) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect.

(xi) The Company shall have obtained approval of the CSE to list or designate for quotation (as the case may be) the Conversion Shares and the Warrant Shares.

(xii) The Company shall have delivered or caused to be delivered to each Buyer lien searches, in such jurisdictions as the Buyer may reasonably request, listing all effective financing statements which name as debtor the Company or any of its Subsidiaries as of a date within ten (10) days of the Closing Date.

(xiii) The Buyer shall have received a letter on the letterhead of the Company, duly executed by the Chief Executive Officer of the Company, setting forth the wire amounts of

each Buyer and the wire transfer instructions of the Company (the “**Flow of Funds Letter**”).

(xiv) The Company and its Subsidiaries shall have delivered to the Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement as the Buyer or its counsel may reasonably request.

8. TERMINATION.

In the event that the Closing shall not have occurred with respect to the Buyer within five (5) days of the date hereof, then the Buyer shall have the right to terminate its obligations under this Agreement with respect to itself at any time on or after the close of business on such date without liability of the Buyer to any other party; provided, however, (i) the right to terminate this Agreement under this Section 8 shall not be available to the Buyer if the failure of the transactions contemplated by this Agreement to have been consummated by such date is the result of the Buyer’s breach of this Agreement and (ii) the abandonment of the sale and purchase of the Note and the Warrants shall be applicable only to the Buyer providing such written notice, provided further that no such termination shall affect any obligation of the Company under this Agreement to reimburse the Buyer for the expenses described in Section 4(i) above. Nothing contained in this Section 8 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

9. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the laws of the Province of Ontario, without giving effect to any choice of law or conflict of law provision or rule (whether of the Province of Ontario or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the Province of Ontario. The Company hereby irrevocably submits to the exclusive jurisdiction of the provincial and federal courts sitting in the City of Toronto, Ontario, for the adjudication of any dispute hereunder or in connection herewith or under any of the other Transaction Documents or with any transaction contemplated hereby or thereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. A final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon the Company and may be enforced in any other courts whose jurisdiction the Company is or may be subject, by suit upon judgment. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR UNDER ANY OTHER TRANSACTION DOCUMENT OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page shall create a valid and binding obligation of the

party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms “including,” “includes,” “include” and words of like import shall be construed broadly as if followed by the words “without limitation.” The terms “herein,” “hereunder,” “hereof” and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability; Maximum Payment Amounts. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s). Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document (and without implication that the following is required or applicable), it is the intention of the parties that in no event shall amounts and value paid by the Company and/or any of its Subsidiaries (as the case may be), or payable to or received by any of the Buyer, under the Transaction Documents (including without limitation, any amounts that would be characterized as “interest” under applicable law) exceed amounts permitted under any applicable law. Accordingly, if any obligation to pay, payment made to the Buyer, or collection by the Buyer pursuant the Transaction Documents is finally judicially determined to be contrary to any such applicable law, such obligation to pay, payment or collection shall be deemed to have been made by mutual mistake of the Buyer, the Company and its Subsidiaries and such amount shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by the applicable law. Such adjustment shall be effected, to the extent necessary, by reducing or refunding, at the option of the Buyer, the amount of interest or any other amounts which would constitute unlawful amounts required to be paid or actually paid to the Buyer under the Transaction Documents. For greater certainty, to the extent that any interest, charges, fees, expenses or other amounts required to be paid to or received by the Buyer under any of the Transaction Documents or related thereto are held to be within the meaning of “interest” or another applicable term to otherwise be violative of applicable law, such amounts shall be pro-rated over the period of time to which they relate.

(e) Entire Agreement; Amendments. This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyer, the Company, its Subsidiaries, their affiliates and Persons acting on their behalf, including, without limitation, any transactions by the Buyer with respect to Common Shares or the Securities, and the other matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the parties solely with respect to the matters covered herein and therein; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements the Buyer has entered into with, or any instruments the Buyer has received from, the Company

or any of its Subsidiaries prior to the date hereof with respect to any prior investment made by the Buyer in the Company or (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries, or any rights of or benefits to the Buyer or any other Person, in any agreement entered into prior to the date hereof between or among the Company and/or any of its Subsidiaries and the Buyer, or any instruments the Buyer received from the Company and/or any of its Subsidiaries prior to the date hereof, and all such agreements and instruments shall continue in full force and effect. Except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Required Holders (as defined below), and any amendment to any provision of this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on the Buyer and holders of Securities, as applicable; provided that no such amendment shall be effective to the extent that it (A) applies to less than all of the holders of the Securities then outstanding or imposes any obligation or liability on the Buyer without the Buyer's prior written consent (which may be granted or withheld in the Buyer's sole discretion). No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party, provided that the Required Holders may waive any provision of this Agreement, and any waiver of any provision of this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on the Buyer and holders of Securities, as applicable, provided that no such waiver shall be effective to the extent that it (1) applies to less than all of the holders of the Securities then outstanding (unless a party gives a waiver as to itself only) or (2) imposes any obligation or liability on the Buyer without the Buyer's prior written consent (which may be granted or withheld in the Buyer's sole discretion). No consideration (other than reimbursement of legal fees) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration also is offered to all of the parties to the Transaction Documents, all holders of the Note or all holders of the Warrants (as the case may be). The Company has not, directly or indirectly, made any agreements with the Buyer relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, the Buyer has not made any commitment or promise or has any other obligation to provide any financing to the Company, any Subsidiary or otherwise. As a material inducement for the Buyer to enter into this Agreement, the Company expressly acknowledges and agrees that (x) no due diligence or other investigation or inquiry conducted by the Buyer, any of its advisors or any of its representatives shall affect the Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document and (y) unless a provision of this Agreement or any other Transaction Document is expressly preceded by the phrase "except as disclosed in the Disclosure Documents," nothing contained in any of the Disclosure Documents shall affect the Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document. "Required Holders" means (I) prior to the Closing Date, each Buyer entitled to purchase Note at the Closing and (II) on or after the Closing Date, holders of a majority of the Underlying Securities as of such time (excluding any Underlying Securities held by the Company or any of its Subsidiaries as of such time issued or issuable hereunder or pursuant to the Note and/or the Warrants).

(f) Notices. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party) or electronic mail (provided that such sent email is kept on file (whether electronically or otherwise) by the sending party and the sending party does not receive an automatically generated message from the recipient's email server that such e-mail could not be delivered to such recipient); or (iii) one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. The addresses, facsimile numbers and e-mail addresses for such

communications shall be:

If to the Company:

Nextleaf Solutions Ltd.
#304-68 Water Street
Vancouver, BC V6B 1A4
Telephone: [Redacted – Telephone Number]
Attention: Chief Executive Officer
E-Mail: [Redacted – E-mail Address]

With a copy (for informational purposes only) to:

Aird Berlis LLP
Brookfield Place, 181 Bay St
#1800, Toronto, ON M5J 2T9
Telephone: (416) 865-4638
Facsimile: (416) 863-1500
Attention: Melanie Cole, Partner
E-Mail: [Redacted – E-mail Address]

If to the Buyer:

[Redacted – Commercially Sensitive Information]
[Redacted – Address]
Telephone: [Redacted – Telephone Number]
Attention: [Redacted – Name]
E-Mail: [Redacted – E-mail Address]

With a copy (for informational purposes only) to:

TingleMerrett LLP
1250, 639 – 5th Ave. SW
Calgary, Alberta T2P 0M9
Telephone: (403) 571-8015
Facsimile: (403) 571-8008
Attention: Scott Reeves
E-Mail: [Redacted – E-mail Address]

or to such other address, e-mail address and/or facsimile number and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine or e-mail containing the time, date, recipient facsimile number and, with respect to each facsimile transmission, an image of the first page of such transmission or (C) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (i), (ii) or (iii) above, respectively.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including any purchasers of any of the Note and Warrants. The Company shall not assign this Agreement or any rights or obligations hereunder without

the prior written consent of the Buyer, including, without limitation, by way of a Fundamental Transaction (as defined in the Warrants) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Warrants) or a Fundamental Transaction (as defined in the Note) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Note). The Buyer may assign some or all of its rights hereunder in connection with any transfer of any of its Securities without the consent of the Company, in which event such assignee shall be deemed to be a Buyer hereunder with respect to such assigned rights.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Indemnitees referred to in Section 9(k).

(i) Survival. The representations, warranties, agreements and covenants shall survive the Closing. Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification.

(i) In consideration of the Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless the Buyer and each holder of any Securities and all of their shareholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by the Company or any Subsidiary in any of the Transaction Documents, (ii) any breach of any covenant, agreement or obligation of the Company or any Subsidiary contained in any of the Transaction Documents or (iii) any cause of action, suit, proceeding or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company or any Subsidiary) or which otherwise involves such Indemnitee that arises out of or results from (A) the execution, delivery, performance or enforcement of any of the Transaction Documents, (B) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, (C) any disclosure properly made by the Buyer pursuant to Section 4(k), or (D) the status of the Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or as a party to this Agreement (including, without limitation, as a party in interest or otherwise in any action or proceeding for injunctive or other equitable relief); provided, however, that no Buyer will be entitled to indemnification hereunder for any Indemnified Liabilities, arising from the Buyer's fraud, gross negligence or willful misconduct or the Buyer's material breach of applicable laws, rules or regulations, or if such Indemnified Liabilities arise solely based upon

a material breach of the Buyer's representations, warranties or covenants under the Transaction Documents, in each case, as determined by a final non-appealable judgment of a court or similar authority with jurisdiction with respect thereto. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(ii) Promptly after receipt by an Indemnitee under this Section 9(k) of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Indemnitee shall, if a claim in respect thereof is to be made against the Company under this Section 9(k), deliver to the Company a written notice of the commencement thereof, and the Company shall have the right to participate in, and, to the extent the Company so desires, to assume control of the defense thereof with counsel mutually satisfactory to the Company and the Indemnitee; provided, however, that an Indemnitee shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the Company if: (A) the Company has agreed in writing to pay such fees and expenses; (B) the Company shall have failed promptly to assume the defense of such Indemnified Liability and to employ counsel reasonably satisfactory to such Indemnitee in any such Indemnified Liability; or (C) the named parties to any such Indemnified Liability (including any impleaded parties) include both such Indemnitee and the Company, and such Indemnitee shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnitee and the Company (in which case, if such Indemnitee notifies the Company in writing that it elects to employ separate counsel at the expense of the Company, then the Company shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Company), provided further, that in the case of clause (C) above the Company shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for the Indemnitees. The Indemnitee shall reasonably cooperate with the Company in connection with any negotiation or defense of any such action or Indemnified Liability by the Company and shall furnish to the Company all information reasonably available to the Indemnitee which relates to such action or Indemnified Liability. The Company shall keep the Indemnitee reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. The Company shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the Company shall not unreasonably withhold, delay or condition its consent. The Company shall not, without the prior written consent of the Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnitee of a release from all liability in respect to such Indemnified Liability or litigation, and such settlement shall not include any admission as to fault on the part of the Indemnitee. Following indemnification as provided for hereunder, the Company shall be subrogated to all rights of the Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the Company within a reasonable time of the commencement of any such action shall not relieve the Company of any liability to the Indemnitee under this Section 9(k), except to the extent that the Company is materially and adversely prejudiced in its ability to defend such action.

(iii) The indemnification required by this Section 9(k) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, within ten (10) days after bills are received or Indemnified Liabilities are incurred.

(iv) The indemnity agreement contained herein shall be in addition to (A) any cause of action or similar right of the Indemnitee against the Company or others, and (B) any liabilities

the Company may be subject to pursuant to the law.

(l) Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, Common Shares and any other numbers in this Agreement that relate to the Common Shares shall be automatically adjusted for any share splits, share dividends, share combinations, recapitalizations or other similar transactions that occur with respect to the Common Shares after the date of this Agreement. Notwithstanding anything in this Agreement to the contrary, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty against, or a prohibition of, any actions with respect to the borrowing of, arrangement to borrow, identification of the availability of, and/or securing of, securities of the Company in order for the Buyer (or its broker or other financial representative) to effect short sales or similar transactions in the future.

(m) Remedies; Enforcement.

(i) The Buyer and in the event of assignment the Buyer of its rights and obligations hereunder, each holder of Securities, shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it or any Subsidiary fails to perform, observe, or discharge any or all of its or such Subsidiary's (as the case may be) obligations under the Transaction Documents, any remedy at law would inadequate relief to the Buyer. The Company therefore agrees that the Buyer shall be entitled to specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The remedies provided in this Agreement and the other Transaction Documents shall be cumulative and in addition to all other remedies available under this Agreement and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief).

(ii) In addition to, but not in limitation of, Sections 4(i) and 9(k) hereof, if (A) any Transaction Document is placed in the hands of an attorney for collection of any amounts due thereunder or enforcement, as applicable, or such amounts due thereunder are collected or such Transaction Document enforced, as applicable, through any legal proceeding or the Buyer otherwise takes action to collect amounts due under thereunder or to enforce the provisions thereof, as applicable, or (B) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under any Transaction Document, then the Company shall pay the costs incurred by the Buyer for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

(n) Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever the Buyer exercises a right, election, demand or option under a Transaction Document and the Company or any Subsidiary does not timely perform its related obligations within the periods therein provided, then the Buyer may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company or such Subsidiary (as the case may be), any relevant notice, demand or election in whole or in part without prejudice to its

future actions and rights.

(o) Payment Set Aside; Currency. To the extent that the Company makes a payment or payments to the Buyer hereunder or pursuant to any of the other Transaction Documents or any of the Buyer enforce or exercise their rights hereunder or thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, foreign, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred. Unless otherwise expressly indicated, all dollar amounts and references to "\$" in this Agreement and the other Transaction Documents are in Canadian Dollars ("**CAD Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in CAD Dollars. All amounts denominated in other currencies (if any) shall be converted into the CAD Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into CAD Dollars pursuant to this Agreement, the CAD Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation.

(p) Judgment Currency.

(i) If for the purpose of obtaining or enforcing judgment against the Company in connection with this Agreement or any other Transaction Document in any court in any jurisdiction it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 9(p) referred to as the "**Judgment Currency**") an amount due in Canadian dollars under this Agreement, the conversion shall be made at the Exchange Rate prevailing on the Trading Day immediately preceding:

(1) the date actual payment of the amount due, in the case of any proceeding in the courts of Ontario or in the courts of any other jurisdiction that will give effect to such conversion being made on such date: or

(2) the date on which the foreign court determines, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 9(p)(i)(2) being hereinafter referred to as the "**Judgment Conversion Date**").

(ii) If in the case of any proceeding in the court of any jurisdiction referred to in Section 9(p)(i)(2) above, there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable party shall pay such adjusted amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, will produce the amount of Canadian dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

(iii) Any amount due from the Company under this provision shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement or any other Transaction Document.

[signature pages follow]

IN WITNESS WHEREOF, Buyer and the Company have caused their respective signature page to this Agreement to be duly executed as of the date first written above.

COMPANY:

NEXTLEAF SOLUTIONS LTD.

By: (signed) "Paul Pedersen"
Name: Paul Pedersen
Title: Chief Executive Officer

BUYER:

[Redacted – Commercially Sensitive Information]

By: (signed) [Redacted - Signature]
Name: [Redacted]
Title: [Redacted]

SCHEDULE A
ACCREDITED INVESTOR STATUS CERTIFICATE

The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any category below, please contact your broker and/or legal advisor before completing this certificate.

TO: NEXTLEAF SOLUTIONS LTD. (the “Company”)

In connection with the purchase by the undersigned subscriber (the “**Subscriber**” or “**you**”) of securities of the Company pursuant to the Securities Purchase Agreement to which this Schedule A is attached, the Subscriber or the undersigned on behalf of the Subscriber, as the case may be, certifies that the Subscriber is purchasing securities of the Company as principal and is (and at the time of acceptance of the subscription will be) an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus Exemptions* and Section 73.3 of the *Securities Act* (Ontario), as applicable, because the Subscriber is:

(PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR)

- (a) (i) except in Ontario, a Canadian financial institution, or a Schedule III bank; or
(ii) in Ontario, a financial institution that is (A) a bank listed in Schedule I, II or III of the Bank Act (Canada); (B) an association to which the Cooperative Credit Associations Act (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act; or (C) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
- (a) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
- (b) a subsidiary of any person or company referred to in paragraphs (a) or (b), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
- (c) a person or company registered under the securities legislation of a jurisdiction (province or territory) of Canada as an adviser or dealer (or in Ontario, except as otherwise prescribed by the regulations under the Securities Act (Ontario));
- (d) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
- (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);
- (e) the Government of Canada or a jurisdiction (province or territory) of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

- (f) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
- (g) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- (h) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction (province or territory) of Canada;
- (i) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes, but net of any related liabilities, exceeds \$1,000,000 (**completion of Form 45-106F9 Form for Individual Accredited Investors is also required**);
- (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000 (**completion of Form 45-106F9 Form for Individual Accredited Investors is also required**);
- (j) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year (**completion of Form 45-106F9 Form for Individual Accredited Investors is also required**);
- (k) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000 (**completion of Form 45-106F9 Form for Individual Accredited Investors is also required**);
- (l) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;
- (m) an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment] or 2.19 [Additional investment in investment funds] of NI 45-106, or (iii) a person described in sub-paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of NI 45-106;
- (n) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- (o) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

- (p) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;
- (q) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- (r) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- (s) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;
- (t) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;
- (u) a person that is recognized or designated by the securities regulatory authority or, except in Ontario or Québec, the regulator as an accredited investor;
- (v) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse; or
- (w) in Ontario, such other persons or companies as may be prescribed by the regulations under the Securities Act (Ontario).
***If checking this category (x), please provide a description of how this requirement is met.

For the purposes hereof, the following definitions are included for convenience:

- (x) “**bank**” means a bank named in Schedule I or II of the Bank Act (Canada);
- (y) “**Canadian financial institution**” means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (z) “**company**” means any corporation, incorporated association, incorporated syndicate or other incorporated organization;
- (aa) “**eligibility adviser**” means:

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officer, founders, or control persons, and
 - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (bb) “**executive officer**” means, for an issuer, an individual who is: (i) a chair, vice-chair or president, (ii) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or (iii) performing a policy-making function in respect of the issuer;
- (cc) “**financial assets**” means (i) cash, (ii) securities, or (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;
- (dd) “**fully managed account**” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;
- (ee) “**investment fund**” has the same meaning as in National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- (ff) “**person**” includes: (i) an individual, (ii) a corporation, (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons whether incorporated or not, and (iv) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.
- (gg) “**related liabilities**” means (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or (ii) liabilities that are secured by financial assets;
- (hh) “**Schedule III bank**” means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (ii) “**spouse**” means, an individual who, (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the Adult Interdependent Relationships Act (Alberta); and

(jj) “**subsidiary**” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

In NI 45-106 a person or company is an affiliate of another person or company if one of them is a subsidiary of the other, or if each of them is controlled by the same person.

In NI 45-106 and except in Part 2 Division 4 (Employee, Executive Officer, Director and Consultant Exemption) of NI 45-106, a person (first person) is considered to control another person (second person) if (a) the first person, beneficially owns or directly or indirectly exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Date (as defined in the Securities Purchase Agreement to which this Schedule B is attached) and the Subscriber acknowledges that this Accredited Investor Status Certificate is incorporated into and forms a part of the Securities Purchase Agreement to which it is attached. If any such representations shall not be true and accurate prior to the Closing Date, the undersigned shall give immediate written notice of such fact to the Company prior to the Closing Date.

Dated: _____)

Signed: _____

)
)
)
)
)

Witness (If Subscriber is an Individual))

Print the name of Subscriber

)
)
)
)

Print Name of Witness)

If Subscriber is a corporation,
print name and title of Authorized Signing Office

)

**SCHEDULE B
CONTACT INFORMATION
SECURITIES REGULATORY AUTHORITIES**

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082
Public official contact: FOIP Coordinator

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: FOI-privacy@bcsc.bc.ca
Public official contact: FOI Inquiries

The Manitoba Securities Commission

500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2561
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330
Public official contact: Director

**Financial and Consumer Services
Commission (New Brunswick)**

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2 Telephone:
(506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnbc.ca
Public official contact: Chief Executive Officer
and Privacy Officer

**Government of Newfoundland and Labrador
Financial Services Regulation Division**

P.O. Box 8700, Confederation Building
2nd Floor, West Block, Prince Philip Drive St.
John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187
Public official contact: Superintendent of
Securities

**Government of the Northwest Territories
Office of the Superintendent of Securities**
P.O. Box 1320

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625
Public official contact: Executive Director

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: (416) 593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: (416) 593-8122
Email: exemptmarketfilings@osc.gov.on.ca
Public official contact: Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: (902) 368-4569
Facsimile: (902) 368-5283
Public official contact: Superintendent of Securities

Autorité des marchés financiers

800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: (514) 395-0337 or 1-877-525-0337
Facsimile: (514) 873-6155 (For filing purposes
only)
Facsimile: (514) 864-6381 (For privacy requests
only) Email:
financementdesocietes@lautorite.qc.ca (For
corporate finance issuers);
fonds_dinvestissement@lautorite.qc.ca (For
investment fund issuers)
Public official contact: Secrétaire générale

**Financial and Consumer Affairs Authority of
Saskatchewan**

Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: (306) 787-5842
Facsimile: (306) 787-5899
Public official contact: Director

**Government of Nunavut
Department of Justice
Legal Registries Division**

Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent, Legal &
Enforcement
Telephone: (867) 767-9305
Facsimile: (867) 873-0243
Public official contact: Superintendent of
Securities

P.O. Box 1000, Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0
Telephone: (867) 975-6590
Facsimile: (867) 975-6594
Public official contact: Superintendent of Securities

Government of Yukon
Department of Community Services
Office of the Superintendent of Securities
307 Black Street
Whitehorse, Yukon Y1A 2N1
Telephone: 867-667-5466
Facsimile: (867) 393-6251
Email: securities@gov.yk.ca
Public official contact: Superintendent of Securities

EXHIBIT A

[FORM OF SENIOR CONVERTIBLE NOTE]

ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTIONS 3(c)(iii) AND 16(a) HEREOF. THE PRINCIPAL AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF, MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 3(c)(iii) OF THIS NOTE.

UNLESS PERMITTED UNDER APPLICABLE SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY IN CANADA BEFORE AUGUST 1, 2021.

NEXTLEAF SOLUTIONS LTD.

SENIOR SECURED CONVERTIBLE NOTE

Issuance Date: March 31, 2021

Original Principal Amount: \$3,300,000.00

FOR VALUE RECEIVED, Nextleaf Solutions Ltd., a corporation incorporated under the laws of the province of British Columbia, Canada (the “**Company**”), hereby promises to pay to the order of **[Redacted – Commercially Sensitive Information]** or its registered assigns (“**Holder**”) the amount set forth above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the “**Principal**”) when due, whether upon the Maturity Date, on any Installment Date solely with respect to the Installment Amount due on such Installment Date (each as defined below), or upon acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and, upon the occurrence and continuance of an Event of Default, and to pay interest (“**Interest**”) on any outstanding Principal at the Interest Rate (as defined below) at any such time as such Interest shall be due and payable hereunder, whether upon the Maturity Date, on any Installment Date solely with respect to the Installment Amount due on such Installment Date, or upon acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof). This Senior Secured Convertible Note (including all Senior Secured Convertible Notes issued in exchange, transfer or replacement hereof, together with all amendments hereto or thereto, this “**Note**” and such other Senior Secured Convertible Notes, the “**Other Notes**”) is issued pursuant to the Securities Purchase Agreement, dated as of March 31, 2021 (the “**Subscription Date**”), by and among the Company and the Holder, as amended from time to time. Certain capitalized terms used herein are defined in Section 29.

1. PAYMENTS OF PRINCIPAL. On each Installment Date, the Company shall pay to the Holder an amount equal to the Installment Amount due on such Installment Date in accordance with Section 8. On the Maturity Date, the Company shall pay to the Holder an amount in cash (excluding any amounts paid in Common Shares on the Maturity Date in accordance with Section 8) representing all outstanding Principal, and any accrued and unpaid Interest and accrued and unpaid Late Charges (as defined in Section 22(c)) on such Principal and Interest. Other than as specifically permitted by this Note, the Company may not prepay any portion of the outstanding Principal, accrued and unpaid Interest or accrued and unpaid Late Charges on Principal and Interest, if any.

2. INTEREST. This Note has been issued with dollar amounts of Original Issue Discount representing interest that would otherwise accrue over the period beginning on the Issuance Date and ending on August 1, 2021, and no amount of such Original Issue Discount shall be convertible hereunder until such

date. Beginning on the Issuance Date, Interest shall accrue hereunder at the Interest Rate, computed on the basis of the actual number of days elapsed and a year of 365 days, payable in arrears on each Interest Date in cash (or, if such Interest Date is an Installment Date, in accordance with Section 8). In addition, and without duplication, accrued and unpaid Interest, if any, shall also be payable by way of inclusion of such Interest in the Conversion Amount (as defined below) on each Conversion Date (as defined below) in accordance with Section 3(b)(i), upon any redemption in accordance with Section 11 or upon any required redemption upon any Bankruptcy Event of Default in accordance with Section 4(b). Notwithstanding any Redemption by the Company in accordance with Section 8 below or any Conversion in accordance with Section 3 below, Interest for the full term of the Note shall be due and payable on the original Principal amount on the Maturity Date.

3. CONVERSION OF NOTE. At any time after the Issuance Date set forth above, this Note shall be convertible into validly issued, fully paid and non-assessable Common Shares (as defined below), on the terms and conditions set forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(d), at any time or times on or after the Issuance Date, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as defined below) into validly issued, fully paid and non-assessable Common Shares in accordance with Section 3(c), at the Conversion Rate (as defined below). The Company shall not issue any fraction of a Common Share upon any conversion. If the issuance would result in the issuance of a fraction of a Common Share, the Company shall round such fraction of a Common Share down to the nearest whole Common Share. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent (as defined below)) that may be payable with respect to the issuance and delivery of Common Shares upon conversion of any Conversion Amount.

(b) Conversion Rate. The number of Common Shares issuable upon conversion of any Conversion Amount pursuant to Section 3(a) shall be determined by dividing (x) such Conversion Amount by (y) the Conversion Price (the "**Conversion Rate**").

(i) "**Conversion Amount**" means the sum of (x) portion of the Principal to be converted, redeemed or otherwise with respect to which this determination is being made and (y) all accrued and unpaid Interest with respect to such portion of the Principal amount and accrued and unpaid Late Charges with respect to such portion of such Principal and such Interest, if any.

(ii) "**Conversion Price**" means, as of any Conversion Date or other date of determination \$0.288, subject to adjustment as provided herein.

(c) Mechanics of Conversion.

(i) Optional Conversion. To convert any Conversion Amount into Common Shares on any date (a "**Conversion Date**"), the Holder shall deliver (whether via facsimile, electronic mail or otherwise), for receipt on or prior to 4:00 p.m., Toronto time, on such date, a copy of an executed notice of conversion in the form attached hereto as Exhibit I (the "**Conversion Notice**") to the Company. For greater certainty, a Conversion Notice received by the Company after 4:00 p.m., Toronto time, shall be deemed to have been received on the following Trading Day. If required by Section 3(c)(iii), within two (2) Trading Days following a conversion of this Note as aforesaid, the

Holder shall surrender this Note to a nationally recognized overnight delivery service for delivery to the Company (or an indemnification undertaking with respect to this Note in the case of its loss, theft or destruction as contemplated by Section 16(b)). On or before the second (2nd) Trading Day following the date on which the Company has received a Conversion Notice, the Company shall transmit by facsimile or electronic mail a treasury direction to the transfer agent (the “**Transfer Agent**”) to issue the Common Shares in accordance with the registration instructions in the Conversion Notice. On or before the third (3rd) Trading Day following the date on which the Company has received a Conversion Notice (the “**Share Delivery Deadline**”), the Company shall either (x) at any time on or after August 1, 2021 (each, an “**Canadian Resale Eligibility Date**”), provided that the Transfer Agent is participating in The Canadian Depository for Securities (“**CDS**”), credit such aggregate number of Common Shares to which the Holder is entitled pursuant to such Conversion Notice (the “**Applicable Conversion Shares**”) to the Holder’s or its designee’s balance account with CDS (each such issuance and delivery of Applicable Conversion Shares pursuant to this clause (x), an “**Electronic Share Issuance**”) or (y) otherwise, to issue and deliver (via reputable overnight courier) to the address as specified in the applicable Conversion Notice a certificate, registered in the name of the Holder (or its designee), for such Applicable Conversion Shares (each such issuance and delivery of Applicable Conversion Shares pursuant to this clause (y), a “**Certificated Share Issuance**”, and together with each Electronic Share Issuance, each, a “**Share Issuance**”). Notwithstanding the foregoing, (I) whether or not the Applicable Conversion Shares are eligible for an Electronic Share Issuance, if the Holder elects to effect such applicable Share Issuance pursuant to a Certificated Share Issuance in such Conversion Notice, such Share Issuance shall be consummated as a Certificated Share Issuance and (II) if such Applicable Conversion Shares are eligible to be delivered pursuant to CDS in accordance with clause (x) of this Section 3(c)(i), the Company shall cause the Applicable Conversion Shares to be delivered to the Holder (or its designee) in accordance with the election of the Holder as set forth in such Conversion Notice (or, in the absence of any such election or an election to deliver as a Certificated Share Issuance, such Applicable Conversion Shares shall be delivered to the Holder (or its designee) in accordance with clause (x) of this Section 3(c)(i) above). If this Note is physically surrendered for conversion pursuant to Section 3(c)(iii) and the outstanding Principal of this Note is greater than the Principal portion of the Conversion Amount being converted, then the Company shall as soon as practicable and in no event later than five (5) Business Days after receipt of this Note and at its own expense, issue and deliver to the Holder (or its designee) a new Note (in accordance with Section 16(d)) representing the outstanding Principal not converted. The Person or Persons entitled to receive the Common Shares issuable pursuant to the applicable Conversion Notice shall be treated for all purposes as the record holder or holders of such Common Shares on the Conversion Date. In the event of a partial conversion of this Note pursuant hereto, the Principal amount converted shall be deducted from the Installment Amount(s) relating to the Installment Date(s) as set forth in the applicable Conversion Notice.

(ii) Company’s Failure to Timely Convert. If the Company shall fail, for any reason or for no reason, on or prior to the applicable Share Delivery Deadline (or, solely with respect to an Electronic Share Issuance by CDS, an Electronic Share Issuance that is not keyed into CDS as an “Instant Deposit” or a Certificated Share Issuance, the third Trading Day after such Share Delivery Deadline) (each, a “**Conversion Failure Deadline**”), to issue and deliver (or cause to be delivered) to the Holder (or its designee) by such Conversion Failure Deadline, in compliance with Section 3(c)(i) above, such Applicable Conversion Shares in the manner specified by Section 3(c)(i) above (each, a “**Conversion Failure**”), then, in addition to all other remedies available to the Holder, (1) the Company shall pay in cash (each, a “**Conversion Failure Amount**”) to the Holder for each Trading Day after such Conversion Failure Deadline that

the issuance of such Common Shares is not timely effected an amount equal to 0.75% of the product of (A) the sum of the number of Common Shares not issued to the Holder on or prior to the Conversion Failure Deadline and to which the Holder is entitled, multiplied by (B) the five day volume weighted average trading price of the Common Shares beginning on the applicable Conversion Date and (2) the Holder, upon written notice to the Company, may void its Conversion Notice with respect to, and retain or have returned (as the case may be) any portion of this Note that has not been converted pursuant to such Conversion Notice, provided that the voiding of a Conversion Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice pursuant to this Section 3(c)(ii) or otherwise. Such Conversion Failure Amount shall be due and payable to the Holder on or before the fifth (5th) Business Day following the cure or waiver of such Conversion Failure or voiding of a Conversion Notice. Notwithstanding the foregoing, no Conversion Failure Amount shall begin to accrue until after at least three (3) Trading Days have occurred in which one or more Delivery Failures (as defined in the Warrants), Legend Removal Failures (as defined in the Warrants) and/or Conversion Failures, as applicable, have occurred or are continuing in any given calendar year, after which and starting on such fourth (4th) Trading Day the Conversion Failure Amount shall begin to accrue. In addition to the foregoing, if a Conversion Failure occurs and if on or after such Share Delivery Deadline, the Holder purchases (in an open market transaction) Common Shares corresponding to all or any portion of the number of Common Shares issuable upon such conversion that the Holder is entitled to receive from the Company and has not received from the Company in connection with such Conversion Failure (a "**Buy-In**"), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after receipt of the Holder's request, promptly honor its obligation to so issue and deliver to the Holder the Applicable Conversion Shares and pay cash to the Holder in an amount equal to the excess (if any) of the total purchase price (including brokerage commissions and other reasonable out-of-pocket expenses, if any) for the Common Shares so purchased (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the "**Buy-In Price**"), over the product of (x) such number of Common Shares to which such Buy-In relates multiplied by (y) the lowest Closing Sale Price of the Common Shares on any Trading Day during the period commencing on the applicable Conversion Date and ending on the date of such issuance and payment under this clause (II) (the "**Buy-In Payment Amount**"). Nothing shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver the Applicable Conversion Shares upon the conversion of this Note as required pursuant to the terms hereof. Notwithstanding the foregoing, the Company's failure to issue and deliver Applicable Conversion Shares by way of an Electronic Share Issuance via CDS by the Share Delivery Deadline, if due to the failure of the Holder to provide a Deposit ID valid on such date of issuance, shall not be deemed to be a breach of this Note and shall not constitute a Conversion Failure.

(iii) Registration. The Company shall maintain a register (the "**Register**") for the recordation of the name(s) and address (es) of the holder(s) of the Note and the principal amount of the Note held by such holders. The entries in the Register shall be conclusive and binding for all purposes absent manifest error. The Company and the holders of the Note shall treat each Person whose name is recorded in the Register as the owner of a Note for all purposes (including, without limitation, the right to receive payments of Principal and Interest hereunder) notwithstanding notice to the contrary. A Note may be assigned, transferred or sold in whole or in part only by registration of such assignment or sale on the Register. Upon its receipt of a written request to assign, transfer or sell all or part of any Note by the holder thereof that is in compliance with the

terms and conditions set forth herein, the Company shall record the information contained therein in the Register and issue one or more new Notes in the same aggregate principal amount as the principal amount of the surrendered Note to the designated assignee or transferee pursuant to Section 16, provided that if the Company does not so record an assignment, transfer or sale (as the case may be) of all or part of any Note that is in compliance with the terms and conditions set forth herein within two (2) Business Days of such a request, then the Register shall be automatically deemed updated to reflect such assignment, transfer or sale (as the case may be). Notwithstanding anything to the contrary set forth in this Section 3, following conversion of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless (A) the full Conversion Amount represented by this Note is being converted (in which event this Note shall be delivered to the Company following conversion thereof as contemplated by Section 3(c)(i)) or (B) the Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of this Note upon physical surrender of this Note. The Company shall maintain records showing the Principal, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions, and/or payments (as the case may be) or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion. If the Company does not update the Register to record such Principal, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions, and/or payments (as the case may be) within two (2) Business Days of such occurrence, then the Register shall be automatically deemed updated to reflect such occurrence.

(d) Limitations on Issuances.

(i) Beneficial Ownership. The Company shall not issue any Common Shares pursuant to this Note, and the Holder shall not have the right to receive any Common Shares pursuant to this Note and any such issuance shall be null and void and treated as if never made, to the extent that after giving effect to such issuance, the Holder together with the other Attribution Parties collectively would beneficially own or control, directly or indirectly, in excess of 9.99% (the “**Maximum Percentage**”) of the Common Shares outstanding immediately after giving effect to such issuance. For purposes of the foregoing sentence, the aggregate number of Common Shares beneficially owned by the Holder and the other Attribution Parties shall include the number of Common Shares held by the Holder and all other Attribution Parties plus the number of Common Shares issuable pursuant to this Note with respect to which the determination of such sentence is being made, but shall exclude Common Shares which would be issuable upon (A) conversion of any remaining, nonconverted portion of this Note beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred shares or warrants, including, without limitation, the Warrants) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 3(d)(i). For purposes of this Section 3(d)(i), a person shall be deemed to be the “beneficial owner” of, and to have “beneficial ownership” of, any securities as to which such Person or any of such Person’s Affiliates own, either directly or indirectly, or exercise control or direction over, including exercising one or both of voting or investment power. A Person shall be deemed to own beneficially securities beneficially owned by a company controlled by the Person or by any of such Person’s Affiliates. Beneficial ownership shall include ownership through a trustee, legal representative, agent or other intermediary and shall include the interest of an entitlement holder, as defined in the *Securities*

Transfer Act, 2006, with respect to that security, but does not include the interest of an entitlement holder that is a securities intermediary, as defined in the *Securities Transfer Act, 2006*, that has established a security entitlement, as defined in the *Securities Transfer Act, 2006*, in favour of its entitlement holder with respect to that security. For purposes of determining the number of outstanding Common Shares the Holder may acquire pursuant to this Note without exceeding the Maximum Percentage, the Holder may rely on a written notice by the Company or the Transfer Agent, if any, setting forth the number of Common Shares outstanding (the “**Reported Outstanding Share Number**”). If the Company receives a Conversion Notice from the Holder, the Company shall notify the Holder in writing of the number of Common Shares then outstanding and, to the extent that such Conversion Notice would otherwise cause the Holder’s beneficial ownership, as determined pursuant to this Section 3(d)(i), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of Common Shares to be purchased pursuant to such Conversion Notice. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of Common Shares then outstanding. In the event that the issuance of Common Shares to the Holder upon conversion of this Note results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage, the number of shares so issued by which the Holder’s and the other Attribution Parties’ aggregate beneficial ownership exceeds the Maximum Percentage (the “**Excess Shares**”) shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or to transfer the Excess Shares. Upon delivery of a written notice to the Company, the Holder may from time to time increase (with such increase not effective until the sixty-first (61st) day after delivery of such notice) or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties. For purposes of clarity, the Common Shares issuable pursuant to the terms of this Note in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose. No prior inability to convert this Note pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 3(d)(i) to the extent necessary to correct this paragraph (or any portion of this paragraph) which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 3(d)(i) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of this Note.

(ii) For the avoidance of doubt, the failure by the Company to deliver Common Shares to the Holder in compliance with this Section 3(d) shall not be an Event of Default hereunder.

(e) Right of Alternate Conversion Upon an Event of Default.

(i) General. Subject to Section 3(d), at any time during an Event of Default Redemption Right Period (as defined below) with respect to an Event of Default (regardless of whether such Event of Default has been cured or if the Holder has delivered an Event of Default Redemption Notice to the Company), the Holder may, at the Holder’s option, elect to

convert (each, an “**Alternate Conversion**”, and the date of delivery of a Conversion Notice to the Company in accordance with Section 3(c) with respect to such Alternate Conversion, each, an “**Alternate Conversion Date**”) all, or any part of, the Conversion Amount (such portion of the Conversion Amount subject to such Alternate Conversion, the “**Alternate Conversion Amount**”) into Common Shares at the Alternate Conversion Price.

(ii) Mechanics of Alternate Conversion. On any Alternate Conversion Date, the Holder may voluntarily convert any Alternate Conversion Amount pursuant to Section 3(c) (with “Alternate Conversion Price” replacing “Conversion Price” for all purposes hereunder with respect to such Alternate Conversion and with “Alternate Conversion Redemption Premium of the Conversion Amount” replacing “Conversion Amount” in clause (x) of the definition of Conversion Rate above with respect to such Alternate Conversion) by designating in the Conversion Notice delivered pursuant to this Section 3(e) of this Note that the Holder is electing to use the Alternate Conversion Price for such conversion. Notwithstanding anything to the contrary in this Section 3(e), but subject to Section 3(d), until the Company delivers Common Shares representing the applicable Alternate Conversion Amount to the Holder, such Alternate Conversion Amount may be converted by the Holder into Common Shares pursuant to Section 3(c) without regard to this Section 3(e).

4. RIGHTS UPON EVENT OF DEFAULT.

(a) Event of Default. Each of the following events shall constitute an “**Event of Default**” and each of the events in clauses (v), (vi) and (vii) shall constitute a “**Bankruptcy Event of Default**”:

(i) the suspension from trading or the failure of the Common Shares to be trading or listed (as applicable) on an Eligible Market for a period of three (3) consecutive Trading Days;

(ii) the Company’s (A) failure to cure a Conversion Failure or a Delivery Failure (as defined in the Warrants) by delivery of the required number of Common Shares within three (3) Trading Days after the applicable Conversion Date or exercise date (as the case may be) or (B) notice, written or oral, to any holder of the Note or Warrants, including, without limitation, by way of public announcement or through any of its agents, at any time, of its intention not to comply, as required, with a request for conversion of any amount of the Note into Common Shares that is requested in accordance with the provisions of the Note, other than pursuant to Section 3(d), or a request for exercise of any Warrants for Common Shares in accordance with the provisions of the Warrants;

(iii) the Company’s failure to pay to the Holder any amount of Principal, Interest, Late Charges or other amounts when and as due under this Note (including, without limitation, the Company’s failure to pay any redemption payments or amounts hereunder) or any other Transaction Document (as defined in the Securities Purchase Agreement) or any other agreement, document, certificate or other instrument delivered in connection with the transactions contemplated hereby and thereby, except, in the case of a failure to pay Interest and Late Charges when and as due, in which case only if such failure remains uncured for a period of at least two (2) Trading Days;

(iv) the occurrence of any default under, redemption of or acceleration prior to

maturity of at least an aggregate of \$**[Redacted – Commercially Sensitive Information]** of Indebtedness (as defined in the Securities Purchase Agreement) of the Company or any of its Subsidiaries;

(v) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Company or any Subsidiary and, if instituted against the Company or any Subsidiary by a third party, shall not be dismissed or stayed within forty-five (45) days of their initiation;

(vi) the commencement by the Company or any Subsidiary of a voluntary case or proceeding under any applicable federal, state, provincial or foreign bankruptcy, insolvency, reorganization or other similar law, or the commencement by the Company or any Subsidiary of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company or any Subsidiary to the entry of a decree, order, judgment or other similar document in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable federal, state, provincial or foreign bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state, provincial or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state, provincial or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Company or any Subsidiary in furtherance of any such action, or the taking of any action by any Person to commence a Uniform Commercial Code foreclosure sale or any other similar action under federal, state, provincial or foreign law which is not dismissed or stayed within forty-five (45) days of its initiation;

(vii) the entry by a court of (A) a decree, order, judgment or other similar document in respect of the Company or any Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state, provincial or foreign bankruptcy, insolvency, reorganization or other similar law, or (B) a decree, order, judgment or other similar document adjudging the Company or any Subsidiary as bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, reorganization, arrangement, adjustment or composition of or in respect of the Company or any Subsidiary under any applicable federal, state or foreign law or (C) a decree, order, judgment or other similar document appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and, in each of the foregoing subsections (A), (B) and (C), any such decree, order, judgment or other similar document remains unstayed and in effect for a period of forty-five (45) consecutive days;

(viii) a final judgment or judgments for the payment of money aggregating in excess of \$**[Redacted – Commercially Sensitive Information]** are rendered against the Company and/or any of its Subsidiaries and which judgments are not, within thirty (30) days after the entry thereof, bonded, discharged, settled or stayed pending appeal, or are not discharged within thirty (30) days after the expiration of such stay; provided, however, any judgment or any portion thereof which is covered by insurance or an indemnity from a creditworthy party shall not be included in calculating the \$**[Redacted – Commercially Sensitive Information]** amount set forth; provided

that the Company reasonably demonstrates such insurance coverage;

(ix) the Company and/or any Subsidiary, individually or in the aggregate, either fails to pay, when due, as extended by any applicable grace period, any payment with respect to any Indebtedness in excess of \$[Redacted – Commercially Sensitive Information] due to any third party (other than with respect to unsecured Indebtedness only, payments contested by the Company and/or such Subsidiary (as the case may be) in good faith by proper proceedings and with respect to which adequate reserves have been set aside for the payment thereof in accordance with IFRS) or is otherwise in breach or violation of any agreement for monies owed or owing in an amount in excess of \$[Redacted – Commercially Sensitive Information], which breach or violation permits the other party thereto to accelerate amounts due thereunder;

(x) the Company and/or any Subsidiary, individually or in the aggregate, either fails to pay, when due, as extended by any applicable grace period, any payment with respect to any Indebtedness in excess of \$[Redacted – Commercially Sensitive Information] due to any third party (other than with respect to unsecured Indebtedness only, payments contested by the Company and/or such Subsidiary (as the case may be) in good faith by proper proceedings and with respect to which adequate reserves have been set aside for the payment thereof in accordance with IFRS) or is otherwise in breach or violation of any agreement for monies owed or owing in an amount in excess of \$[Redacted – Commercially Sensitive Information], which breach or violation permits the other party thereto to accelerate amounts due thereunder;

(xi) other than as specifically set forth in another clause of this Section 4(a), the Company or any Subsidiary breaches any representation or warranty, in any material respect (other than representations or warranties subject to material adverse effect or materiality, which may not be breached in any respect) or any covenant or other term or condition of any Transaction Document, except, in the case of a breach of a covenant or other term or condition that is curable, only if such breach remains uncured for a period of (x) if a breach of a material covenant or other material term or condition, five (5) consecutive Trading Days or (y) otherwise, ten (10) consecutive Trading Days;

(xii) knowingly making a false or inaccurate certification by the Company that either (A) the Equity Conditions are satisfied, (B) there has been no Equity Conditions Failure, (C) there has been no Financial Covenant Failure (as defined below), (D) the Escrow Release Conditions are satisfied or (E) as to whether any Event of Default has occurred;

(xiii) any breach or failure in any respect by the Company or any Subsidiary to comply with any provision of Section 13(a), (c), (d), (e), or (m) of this Note; or

(xiv) any Material Adverse Effect (as defined in the Securities Purchase Agreement) occurs.

(b) Notice of an Event of Default; Redemption Right. Upon becoming aware of the occurrence of an Event of Default with respect to this Note or any Other Note, the Company shall within five (5) Business Days deliver written notice thereof via facsimile or electronic mail (an “**Event of Default Notice**”) to the Holder in accordance with the terms hereof. At any time after the earlier of the Holder’s receipt of an Event of Default Notice and the Holder becoming aware of an Event of Default (such earlier date, the “**Event of Default Right Commencement Date**”) and ending (such

ending date, the “**Event of Default Right Expiration Date**”, and each such period, an “**Event of Default Redemption Right Period**”) on the tenth (10th) Trading Day after the later of (x) the date such Event of Default is cured and (y) the Holder’s receipt of an Event of Default Notice that includes (I) a reasonable description of the applicable Event of Default, (II) a certification as to whether, in the opinion of the Company, such Event of Default is capable of being cured and, if applicable, a reasonable description of any existing plans of the Company to cure such Event of Default and (III) a certification as to the date the Event of Default occurred and, if cured on or prior to the date of such Event of Default Notice, the applicable Event of Default Right Expiration Date, the Holder may require the Company to redeem (regardless of whether such Event of Default has been cured on or prior to the Event of Default Right Expiration Date) all or any portion of this Note by delivering written notice thereof (the “**Event of Default Redemption Notice**”) to the Company, which Event of Default Redemption Notice shall indicate the portion of this Note the Holder is electing to redeem. Each portion of this Note subject to redemption by the Company pursuant to this Section 4(b) shall be redeemed by the Company at a price equal to the greater of (i) the product of (A) the Conversion Amount to be redeemed multiplied by (B) the Redemption Premium and (ii) solely if an Equity Conditions Failure exists as of the date of such Event of Default Redemption Notice (other than an Equity Conditions Failure arising solely as a result of Section 3(d)(i) above), the product of (A) the Conversion Rate with respect to the Conversion Amount subject to redemption in such Event of Default Redemption Notice at such time as the Holder delivers an Event of Default Redemption Notice multiplied by (B) the greatest Closing Sale Price of the Common Shares on any Trading Day during the period commencing on the date of such Event of Default and ending on the date the Company makes the entire payment required to be made under this Section 4(b) (the “**Event of Default Redemption Price**”). Redemptions required by this Section 4(b) shall be made in accordance with the provisions of Section 11. To the extent redemptions required by this Section 4(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 4(b), but subject to Section 3(d), until the Event of Default Redemption Price (together with any Late Charges thereon) is paid in full, the Conversion Amount submitted for redemption under this Section 4(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Common Shares pursuant to the terms of this Note. In the event of a partial redemption of this Note pursuant hereto, the Principal amount redeemed shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the Event of Default Redemption Notice. In the event of the Company’s redemption of any portion of this Note under this Section 4(b), the Holder’s damages would be uncertain and difficult to estimate because of the parties’ inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any Redemption Premium due under this Section 4(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder’s actual loss of its investment opportunity and not as a penalty. Any redemption upon an Event of Default shall not constitute an election of remedies by the Holder for any Principal remaining outstanding, and all other rights and remedies of the Holder in respect of any Principal remaining outstanding shall be preserved.

(c) Mandatory Redemption upon Bankruptcy Event of Default. Notwithstanding anything to the contrary herein, and notwithstanding any conversion that is then required or in process, upon any Bankruptcy Event of Default, whether occurring prior to or following the Maturity Date, the Company shall immediately pay to the Holder an amount in cash representing (i) all outstanding Principal, accrued and unpaid Interest and accrued and unpaid Late Charges on such Principal and Interest, multiplied by (ii) the Redemption Premium, in addition to any and all other amounts due hereunder, without the requirement for any notice or demand or other action by the Holder or any other person or entity, provided that the Holder may, in its sole discretion, waive such right to receive

payment upon a Bankruptcy Event of Default, in whole or in part, and any such waiver shall not affect any other rights of the Holder hereunder, including any other rights in respect of such Bankruptcy Event of Default, any right to conversion, and any right to payment of the Event of Default Redemption Price or any other Redemption Price, as applicable.

5. RIGHTS UPON FUNDAMENTAL TRANSACTION.

(a) Assumption. Without the prior written consent of the Holder, such consent not to be unreasonably withheld, delayed or denied, the Company shall not enter into or be party to a Fundamental Transaction unless (i) the Successor Entity assumes in writing all of the obligations of the Company under this Note, including agreements to deliver to the Holder in exchange for its Note a security of the Successor Entity (or its Parent Entity) evidenced by a written instrument substantially similar in form and substance to the Note, including, without limitation, having a principal amount and interest rate equal to the principal amounts then outstanding and the interest rates of the Note, having similar conversion rights as the Note, and satisfactory to the Holder and (ii) the Successor Entity (or its Parent Entity) is a publicly traded corporation whose common equity is quoted on or listed for trading on an Eligible Market. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Note and the other Transaction Documents referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of, the Company and shall assume all of the obligations of the Company under this Note and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon conversion or redemption of this Note at any time after the consummation of such Fundamental Transaction, in lieu of the Common Shares (or other securities, cash, assets or other property (except such items still issuable under Section 6 which shall continue to be receivable thereafter)) issuable upon the conversion or redemption of the Note prior to such Fundamental Transaction, such shares of the publicly traded common equity (or their equivalent) of the Successor Entity (or its Parent Entity) (as applicable, the “**Successor Shares**”) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had this Note been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of this Note), as adjusted in accordance with the provisions of this Note. Notwithstanding the foregoing, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this Section 5(a) to permit the Fundamental Transaction without the assumption of this Note. The provisions of this Section 5 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of this Note.

(b) Notice of a Change of Control; Redemption Right. No sooner than twenty (20) Trading Days nor later than ten (10) Trading Days prior to the consummation of a Change of Control (the “**Change of Control Date**”), but not prior to the public announcement of such Change of Control, the Company shall deliver written notice thereof via facsimile or electronic mail to the Holder (a “**Change of Control Notice**”). At any time during the period beginning after the Holder’s receipt of a Change of Control Notice or the Holder becoming aware of a Change of Control if a Change of Control Notice is not delivered to the Holder in accordance with the immediately preceding sentence (as applicable) and ending on twenty (20) Trading Days after the later of (A) the date of consummation of such Change of Control or (B) the date of receipt of such Change of Control Notice, the Holder may require the Company to redeem all or any portion of this Note by delivering written notice thereof (“**Change of Control Redemption Notice**”) to the Company, which Change of Control Redemption

Notice shall indicate the Conversion Amount the Holder is electing to redeem. The portion of this Note subject to redemption pursuant to this Section 5(b) shall be redeemed by the Company in cash at a price equal to the greatest of (i) the product of (x) the Change of Control Redemption Premium multiplied by (y) the Conversion Amount being redeemed, (ii) the product of (x) the Change of Control Redemption Premium multiplied by (y) the product of (A) the Conversion Amount being redeemed multiplied by (B) the quotient determined by dividing (I) the greatest Closing Sale Price of the Common Shares during the period beginning on the date immediately preceding the earlier to occur of (1) the consummation of the applicable Change of Control and (2) the public announcement of such Change of Control and ending on the date the Holder delivers the Change of Control Redemption Notice by (II) the Conversion Price then in effect and (iii) the product of (y) the Change of Control Redemption Premium multiplied by (z) the product of (A) the Conversion Amount being redeemed multiplied by (B) the quotient of (I) the aggregate cash consideration and the aggregate cash value of any non-cash consideration per Common Share to be paid to the holders of the Common Shares upon consummation of such Change of Control (any such non-cash consideration constituting publicly-traded securities shall be valued at the highest of the Closing Sale Price of such securities as of the Trading Day immediately prior to the consummation of such Change of Control, the Closing Sale Price of such securities on the Trading Day immediately following the public announcement of such proposed Change of Control and the Closing Sale Price of such securities on the Trading Day immediately prior to the public announcement of such proposed Change of Control) divided by (II) the Conversion Price then in effect (the “**Change of Control Redemption Price**”). Redemptions required by this Section 5(b) shall be made in accordance with the provisions of Section 11 and shall have priority to payments to shareholders in connection with such Change of Control. To the extent redemptions required by this Section 5(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 5(b), but subject to Section 3(d), until the Change of Control Redemption Price (together with any Late Charges thereon) is paid in full, the Conversion Amount submitted for redemption under this Section 5(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Common Shares pursuant to Section 3. In the event of a partial redemption of this Note pursuant hereto, the Principal amount redeemed shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the Change of Control Redemption Notice. In the event of the Company’s redemption of any portion of this Note under this Section 5(b), the Holder’s damages would be uncertain and difficult to estimate because of the parties’ inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any Change of Control Redemption Premium due under this Section 5(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder’s actual loss of its investment opportunity and not as a penalty.

6. RIGHTS UPON CORPORATE EVENTS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 7 below and not in duplication thereof, if at any time the Company grants, issues or sells any options, Convertible Securities or rights to purchase shares, warrants, securities or other property *pro rata* to all or substantially all of the record holders of Common Shares (the “**Purchase Rights**”), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Common Shares acquirable upon complete conversion of this Note (without taking into account any limitations or restrictions on the convertibility of this Note and assuming for such purpose that the Note was converted at the Alternate Conversion Price as of the applicable record date) immediately prior to the

date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Common Shares are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Purchase Right to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such Common Shares as a result of such Purchase Right (and beneficial ownership) to the extent of any such excess) and such Purchase Right to such extent shall be held in abeyance (and, if such Purchase Right has an expiration date, maturity date or other similar provision, such term shall be extended by such number of days held in abeyance, if applicable) for the benefit of the Holder until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such right (and any Purchase Right granted, issued or sold on such initial Purchase Right or on any subsequent Purchase Right held similarly in abeyance (and, if such Purchase Right has an expiration date, maturity date or other similar provision, such term shall be extended by such number of days held in abeyance, if applicable)) to the same extent as if there had been no such limitation). Notwithstanding anything to the contrary contained herein, the provisions of this Section 6(a) shall not be applicable unless the Company has obtained all applicable approvals required by the rules and regulations of the CSE.

(b) Corporate Events. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of Common Shares are entitled to receive securities or other assets with respect to or in exchange for Common Shares (a "**Corporate Event**"), the Company shall make appropriate provision to ensure that the Holder will thereafter have the right to receive upon a conversion of this Note, at the Holder's option, in lieu of the Common Shares (or other Successor Shares, as applicable) otherwise receivable upon such conversion, such securities or other assets received by the holders of Common Shares in connection with the consummation of such Corporate Event in such amounts as the Holder would have been entitled to receive had this Note initially been issued with conversion rights for the form of such consideration (as opposed to Common Shares) at a conversion rate for such consideration commensurate with the Conversion Rate. Provision made pursuant to the preceding sentence shall be in a form and substance satisfactory to the Holder, acting reasonably. The provisions of this Section 6 shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the conversion or redemption of this Note. Notwithstanding anything to the contrary contained herein, the provisions of this Section 6(b) shall not be applicable unless the Company has obtained all applicable approvals required by the rules and regulations of the CSE.

7. ADJUSTMENT OF CONVERSION PRICE UPON SUBDIVISION OR COMBINATION OF COMMON SHARES.

(a) Adjustment of Conversion Price upon Subdivision or Combination of Common Shares. Without limiting any provision of Section 6 or this Section 7, if the Company at any time on or after the Subscription Date subdivides, redivides or changes, in any way, one or more classes of its outstanding Common Shares into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision of Section 6 or this Section 7, if the Company at any time on or after the Subscription Date reduces, combines or consolidates, in any way, one or more classes of its outstanding Common Shares into a smaller number of shares, the Conversion Price in effect immediately prior to such

consolidation will be proportionately increased. Any adjustment pursuant to this Section 7(a) shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7(a) occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect such event.

(b) Adjustments Upon Distribution of Assets. If the Company shall declare or make any special dividend or other distribution of its assets (or rights to acquire its assets) to all or substantially all holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “**Special Distribution**”), at any time after the issuance of this Note, then, in each such case, any Conversion Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Special Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Conversion Price by a fraction of which (i) the numerator shall be the Closing Bid Price of the Common Shares on the trading day immediately preceding such record date minus the value of the Special Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator shall be the Closing Bid Price of the Common Shares on the trading day immediately preceding such record date. Notwithstanding anything to the contrary contained herein, the provisions of this Section 7(b) shall not be applicable in the case of regular periodic cash dividends paid by the Company to the holders of Common Shares.

(c) Calculations. All calculations under this Section 7 shall be made by rounding to the nearest cent or the nearest 1/100th of a share, as applicable. The number of Common Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Shares.

(d) Voluntary Adjustment by Company. Subject to the rules and regulations of the CSE, the Company may at any time during the term of this Note, with the prior written consent of the Required Holders (as defined in the Securities Purchase Agreement), reduce the then current Conversion Price of the Note to any amount and for any period of time deemed appropriate by the board of directors of the Company.

8. INSTALLMENT CONVERSION OR REDEMPTION.

(a) General. On each applicable Installment Date, the Company shall pay to the Holder of this Note the applicable Installment Amount due on such date by redeeming such Installment Amount in cash. If the Market Price on the Trading Day prior to the Installment Date meets or exceeds 115% of the Conversion Price and, so long as there has been no Equity Conditions Failure, such Installment Amount shall be converted into Common Shares in accordance with this Section 8 (each, an “**Installment Conversion**”); provided, however, if an Equity Conditions Failure exists, the Company shall be required to pay the entire Installment Amount in cash (each, an “**Installment Redemption**”); provided, further, that, if no Equity Conditions Failure exists and the Market Price on the Trading Day prior to the Installment Date is less than 115% of the Conversion Price, the Company shall pay such Installment Amount by Installment Redemption unless the Holder has delivered to the Company a Conversion Notice to convert some or all of the Installment Amount into Common Shares

at the Alternate Conversion Price, so long as all of the outstanding applicable Installment Amount due on any Installment Date shall be converted and/or redeemed by the Company on the applicable Installment Date. The Conversion Notice shall state the portion of the Installment Amount elected to be converted by the Holder. On the date which is the sixth (6th) Trading Day prior to each Installment Date, the Company shall deliver written notice (an “**Installment Notice**” and the Holder receives such notice is referred to as to the “**Installment Notice Date**”), to the Holder and such Installment Notice shall (i) either (A) confirm that the applicable Installment Amount shall be converted in whole pursuant to an Installment Conversion or (B) (1) state that the Company is required to redeem for cash in accordance with the provisions of the Note, in whole or in part, the applicable Installment Amount pursuant to an Installment Redemption and (2) specify the portion of such Installment Amount which the Company is required to redeem for cash pursuant to an Installment Redemption (such amount to be redeemed in cash, the “**Installment Redemption Amount**”) and the portion of the applicable Installment Amount, if any, with respect to which the Company will, and is permitted to, effect an Installment Conversion (such amount of the applicable Installment Amount so specified to be so converted pursuant to this Section 8 is referred to herein as the “**Installment Conversion Amount**”), which amounts when added together, must at least equal the entire applicable Installment Amount and (ii) if the applicable Installment Amount is to be paid, in whole or in part, pursuant to an Installment Conversion, certify that there is not then an Equity Conditions Failure as of the applicable Installment Notice Date; provided, however, that to the extent that payment of the Installment Amount, in whole or in part, pursuant to an Installment Conversion would result in a breach of Section 3(d), then the Company shall be required to redeem for cash the applicable Installment Amount pursuant to an Installment Redemption to the extent of such excess portion of such Installment Amount that, if converted in an Installment Conversion, would otherwise result in a breach of Section 3(d) (including, without limitation, during the applicable Interim Installment Period (as defined below). Each Installment Notice shall be irrevocable. Failure to deliver or timely deliver an Installment Notice shall not constitute an Event of Default with respect to a particular Installment Date, however, upon any such failure the Company shall be deemed to have delivered an irrevocable Installment Notice confirming an Installment Conversion of the entire Installment Amount payable on such Installment Date and shall be deemed to have certified that there is not then an Equity Conditions Failure in connection with such Installment Conversion. Except as expressly provided in this Section 8, the Company shall convert and/or redeem the applicable Installment Amount of this Note pursuant to this Section 8. The applicable Installment Conversion Amount (whether set forth in the applicable Installment Notice or by operation of this Section 8) shall be converted in accordance with Section 8(b) and the applicable Installment Redemption Amount shall be redeemed in accordance with Section 8(c).

(b) Mechanics of Installment Conversion. Subject to Section 3(d), if the Company delivers an Installment Notice or is deemed to have delivered an Installment Notice certifying that such Installment Amount is being paid, in whole or in part, in an Installment Conversion in accordance with Section 8(a), then the remainder of this Section 8(b) shall apply. The applicable Installment Conversion Amount, if any, shall be converted on the applicable Installment Date at the applicable Installment Conversion Price and the Company shall, on such Installment Date, deliver to the Holder in an Electronic Share Issuance, in accordance with Section 3, such Common Shares issued upon such conversion (subject to the reduction contemplated by the immediately following sentence and, if applicable, the penultimate sentence of this Section 8(b)), provided that the Equity Conditions are then satisfied (or waived in writing by the Holder) on such Installment Date and an Installment Conversion is not otherwise prohibited under any other provision of this Note. If the Company confirmed (or is deemed to have confirmed by operation of Section 8(a)) the conversion of the applicable Installment Conversion Amount, in whole or in part, and there was no Equity Conditions Failure as of the applicable Installment Notice Date (or is deemed to have certified that the Equity Conditions in connection with any such

conversion have been satisfied by operation of Section 8(a)) but an Equity Conditions Failure then existed or occurred between the applicable Installment Notice Date and any time to and including applicable Installment Date (the “**Interim Installment Period**”), the Company shall provide the Holder a subsequent notice to that effect. If there is an Equity Conditions Failure (which is not waived in writing by the Holder) during such Interim Installment Period or an Installment Conversion is not then otherwise permitted under any other provision of this Note (other than pursuant to Section 3(d)), then, at the option of the Holder designated in writing to the Company on or prior to the Installment Date, the Holder may require the Company to do one of the following: (i) the Company shall redeem all or any part designated by the Holder of the unconverted Installment Conversion Amount (such designated amount is referred to as the “**Designated Redemption Amount**”) and the Company shall pay to the Holder within two (2) Business Days of such Installment Date, by wire transfer of immediately available funds, an amount in cash equal to 115% of such Designated Redemption Amount, and/or (ii) the Installment Conversion shall be null and void with respect to all or any part designated by the Holder of the unconverted Installment Conversion Amount and the Holder shall be entitled to all the rights of a holder of this Note with respect to such designated part of the Installment Conversion Amount. If the Company fails to pay any Designated Redemption Amount by the third (3rd) Business Day following the applicable Installment Date by payment of such amount by such date, then the Holder shall have the rights set forth in Section 11(a) as if the Company failed to pay the applicable Installment Redemption Price (as defined below) and all other rights under this Note (including, without limitation, such failure constituting an Event of Default described in Section 4(a)(iii)). Notwithstanding anything to the contrary in this Section 8(b), but subject to 3(d), until the Company delivers Common Shares representing the Installment Conversion Amount to the Holder, the Installment Conversion Amount may be converted by the Holder into Common Shares pursuant to Section 3. In the event that the Holder elects to convert the Installment Conversion Amount prior to the applicable Installment Date as set forth in the immediately preceding sentence, the Installment Conversion Amount so converted shall be deducted from the Installment Amount(s) relating to the applicable Installment Date(s) as set forth in the applicable Conversion Notice. The Company shall pay any and all transfer, stamp, issuance and similar taxes that may be payable with respect to the issuance and delivery of any Common Shares in any Installment Conversion hereunder.

(c) Mechanics of Installment Redemption. If the Company elects or is required to effect an Installment Redemption, in whole or in part, in accordance with Section 8(a), then the Installment Redemption Amount, if any, shall be redeemed by the Company in cash on the applicable Installment Date by wire transfer to the Holder of immediately available funds in an amount equal to the applicable Installment Redemption Amount (the “**Installment Redemption Price**”). If the Company fails to redeem such Installment Redemption Amount on such Installment Date by payment of the Installment Redemption Price, then, at the option of the Holder designated in writing to the Company (any such designation shall be a “**Conversion Notice**” for purposes of this Note), the Holder may require the Company to convert all or any part of the Installment Redemption Amount at the Installment Conversion Price (determined as of the date of such designation as if such date were an Installment Date). Conversions required by this Section 8(c) shall be made in accordance with the provisions of Section 3(c). Notwithstanding anything to the contrary in this Section 8(c), but subject to Section 3(d), until the Installment Redemption Price (together with any Late Charges thereon) is paid in full, the Installment Redemption Amount (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into Common Shares pursuant to Section 3. In the event the Holder elects to convert all or any portion of the Installment Redemption Amount prior to the applicable Installment Date as set forth in the immediately preceding sentence, the Installment Redemption Amount so converted shall be deducted from the Installment Amounts relating to the applicable Installment Date(s) as set forth in the applicable Conversion Notice. Redemptions

required by this Section 8(c) shall be made in accordance with the provisions of Section 11.

(d) Deferred Installment Amount. Notwithstanding any provision of this Section 8(d) to the contrary, the Holder may, at its option and in its sole discretion, deliver a written notice to the Company no later than the third (3rd) Trading Day immediately prior to the applicable Installment Date electing to have the payment of all or any portion of an Installment Amount payable on such Installment Date deferred (such amount deferred, the “**Deferral Amount**”, and such deferral, each a “**Deferral**”, and such Installment Date to which such Deferral Amount is deferred to, the “**Deferred Installment Date**”) until any subsequent Installment Date selected by the Holder, in its sole discretion, in which case, the Deferral Amount shall be added to, and become part of, such subsequent Installment Amount, except such Deferral Amount shall not accrue Interest hereunder prior to the earlier of (x) the applicable Deferred Installment Date for such Deferral Amount and (y) the Maturity Date. Any notice delivered by the Holder pursuant to this Section 8(d) shall set forth (i) the Deferral Amount and (ii) the date that such Deferral Amount shall now be payable.

(e) Acceleration of Installment Amounts by the Holder. Notwithstanding anything herein to the contrary, during the period commencing on an Installment Date (a “**Current Installment Date**”) and ending on the Trading Day immediately prior to the next Installment Date (each, an “**Installment Period**”), at the option of the Holder, at one or more times, the Holder may convert other Installment Amounts (each, an “**Acceleration**”, and each such amount, an “**Acceleration Amount**”), in whole or in part, at the Installment Conversion Price of such Current Installment Date in accordance with the conversion procedures set forth in Section 3 hereunder, *mutatis mutandis*. For the avoidance of doubt, any such Acceleration shall not be required to be paid in cash and solely be optional conversions pursuant to Section 3 hereunder (except with “Installment Conversion Price” replacing “Conversion Price” thereunder) and shall not be an Installment Conversion or an Installment Redemption hereunder.

(f) Acceleration of Installment Amounts by the Company. Notwithstanding anything herein to the contrary, during an Installment Period, at the option of the Company, at one or more times, the Company may redeem other Installment Amounts, in whole or in part, in cash at the Additional Redemption Price (an “**Additional Redemption**”). No later than ten (10) days prior to the consummation of an Additional Redemption (the “**Additional Redemption Date**”) the Company shall deliver written notice thereof (the “**Additional Redemption Notice**”) via facsimile or electronic mail to the Holder with other mechanics in accordance with the conversion procedures set forth in Section 8 hereunder, *mutatis mutandis*. For the avoidance of doubt, any such Acceleration shall not be an Installment Redemption hereunder.

9. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company will not, by amendment of its Articles (as defined in the Securities Purchase Agreement) or through any reorganization, transfer of assets, consolidation, merger, amalgamation, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and will at all times in good faith carry out all of the provisions of this Note and take all action as may be required to protect the rights of the Holder of this Note. Without limiting the generality of the foregoing or any other provision of this Note or the other Transaction Documents, the Company (a) shall not increase the par value of any Common Shares receivable upon conversion of this Note above the Conversion Price then in effect, and (b) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Common Shares upon the conversion of this Note. Notwithstanding anything herein

to the contrary, if after sixty (60) calendar days following the Issuance Date, the Holder is not permitted to convert this Note in full for any reason (other than pursuant to restrictions set forth in Section 3(d) hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such conversion into Common Shares.

10. [Intentionally Deleted]

11. REDEMPTIONS.

(a) Mechanics. The Company shall deliver the applicable Event of Default Redemption Price to the Holder in cash within five (5) Business Days after the Company's receipt of the Holder's Event of Default Redemption Notice. If the Holder has submitted a Change of Control Redemption Notice in accordance with Section 5(b), the Company shall deliver the applicable Change of Control Redemption Price to the Holder in cash concurrently with the consummation of such Change of Control if such notice is received prior to the consummation of such Change of Control and within five (5) Business Days after the Company's receipt of such notice otherwise. The Company shall deliver the applicable Installment Redemption Price to the Holder in cash on the applicable Installment Date. In the event of a redemption of less than all of the Conversion Amount of this Note, upon delivery of this Note to the Company, the Company shall promptly cause to be issued and delivered to the Holder a new Note (in accordance with Section 16(d)) representing the outstanding Principal which has not been redeemed. In the event that the Company does not pay the applicable Redemption Price to the Holder within the time period required, at any time thereafter and until the Company pays such unpaid Redemption Price in full, the Holder shall have the option, in lieu of redemption, to require the Company to promptly return to the Holder all or any portion of this Note representing the Conversion Amount or Designated Redemption Amount, as the case may be, that was submitted for redemption and for which the applicable Redemption Price (together with any Late Charges thereon) has not been paid. Upon the Company's receipt of such notice, (x) the applicable Redemption Notice shall be null and void with respect to such Conversion Amount or Designated Redemption Amount, and (y) the Company shall immediately return this Note, or issue a new Note (in accordance with Section 16(d)), to the Holder, and in each case the principal amount of this Note or such new Note (as the case may be) shall be increased by or shall reflect (as the case may be) an amount equal to the difference between (1) the applicable Redemption Price (as the case may be, and as adjusted pursuant to this Section 11, if applicable) minus (2) the Principal portion of the Conversion Amount subject to redemption or Designated Redemption Amount pursuant to which the Holder delivered a notice voiding redemption. The Holder's delivery of a notice voiding a Redemption Notice and exercise of its rights following such notice shall not affect the Company's obligations to make any payments of Late Charges which have accrued prior to the date of such Redemption Notice with respect to the Conversion Amount subject to such notice.

12. VOTING RIGHTS. The Holder shall have no voting rights as the holder of this Note, except as required by law and as expressly provided in this Note.

13. COVENANTS. Until all the Note has been converted, redeemed or otherwise satisfied in accordance with its terms:

(a) Incurrence of Indebtedness. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, incur or guarantee, assume or suffer to exist

any Indebtedness (other than (i) the Indebtedness evidenced by this Note and (ii) other Permitted Indebtedness).

(b) Existence of Liens. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, allow or suffer to exist any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by the Company or any of its Subsidiaries (collectively, “**Liens**”) other than Permitted Liens.

(c) Restricted Payments. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, defease, repurchase, repay or make any payments in respect of, by the payment of cash or cash equivalents (in whole or in part, whether by way of open market purchases, tender offers, private transactions or otherwise), all or any portion of any Indebtedness (other than the Note) whether by way of payment in respect of principal of (or premium, if any) or interest on, such Indebtedness if at the time such payment is due or is otherwise made or, after giving effect to such payment, (i) an event constituting an Event of Default has occurred and is continuing or (ii) an event that with the passage of time and without being cured would constitute an Event of Default has occurred and is continuing.

(d) Restriction on Redemption and Cash Dividends. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, repurchase or declare or pay any cash dividend or distribution on any of its share capital (other than cash dividends and distributions by any Subsidiary to the Company or any other wholly-owned Subsidiary of the Company).

(e) Restriction on Transfer of Assets. Other than a Fundamental Transaction undertaken in compliance with Section 5(a), the Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, sell, lease, license, assign, transfer, spin-off, split-off, close, convey or otherwise dispose of any assets or rights of the Company or any Subsidiary owned or hereafter acquired whether in a single transaction or a series of related transactions, other than (i) sales, leases, licenses, assignments, transfers, conveyances and other dispositions of such assets or rights by the Company and its Subsidiaries in the ordinary course of business consistent with its past practice, (ii) sales of inventory and product in the ordinary course of business, and (iii) sales or dispositions of equipment no longer required for the operation of business or which is worn out or obsolete.

(f) Maturity of Indebtedness. Except as set forth on Schedule 13(f), the Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, permit any Indebtedness of the Company or any of its Subsidiaries to mature or accelerate prior to the date it matures in accordance with its terms.

(g) Change in Nature of Business. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by or publicly contemplated to be conducted by the Company and each of its Subsidiaries on the Issuance Date or any business substantially related or incidental thereto, provided that expanding operations into ancillary lines of business and obtaining additional licenses for the processing of other controlled substances, or expanding jurisdictions where the Company or any Subsidiary’s business becomes legal or

permitted after the date hereof shall not be deemed to be a breach hereof.

(h) Preservation of Existence, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary; provided that the Company shall not be required to preserve the corporate, partnership, limited liability company or other existence of any of its Subsidiaries, if the Company in good faith shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and Subsidiaries, taken as a whole.

(i) Maintenance of Properties, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties which are necessary or material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply, and cause each of its Subsidiaries to comply, at all times with the material provisions of all material leases to which it is a party as lessee or under which it occupies property, so as to prevent any material loss or forfeiture thereof or thereunder.

(j) Maintenance of Intellectual Property. The Company will, and will cause each of its Subsidiaries to, take all action necessary or advisable to maintain all of the Intellectual Property Rights (as defined in the Securities Purchase Agreement) of the Company and/or any of its Subsidiaries that are necessary or material to the conduct of its business in full force and effect.

(k) Maintenance of Insurance. The Company shall maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, hazard, rent and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is required by any governmental authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

(l) Transactions with Affiliates. Other than in respect of transaction between the Company and its Subsidiaries, the Company shall not, nor shall it permit any of its Subsidiaries to, enter into, renew, extend or be a party to, any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any affiliate, except transactions in the ordinary course of business in a manner and to an extent consistent with past practice and necessary or desirable for the prudent operation of its business, for fair consideration and on terms no less favorable to it or its Subsidiaries than would be obtainable in a comparable arm's length transaction with a Person that is not an affiliate thereof.

(m) Restricted Issuances. The Company shall not, directly or indirectly, without the prior written consent of the Holder (such consent not to be unreasonably withheld, delayed or denied) (i) issue any Notes (other than as contemplated by the Securities Purchase Agreement and the Note) or (ii) issue any other securities that would cause a breach or default under the Note or the Warrants.

14. AMENDING THE TERMS OF THIS NOTE. Except for Section 3(d)(i), which may not be amended, modified or waived by the parties hereto, the prior written consent of the Company and the Holder shall be required for any amendment, modification or waiver to this Note. Any amendment, modification or waiver so approved shall be binding upon all existing and future holders of this Note.

15. TRANSFER. This Note and any Common Shares issued upon conversion of this Note may be offered, sold, assigned or transferred by the Holder without the consent of the Company, subject only to the provisions of Section 2(g) of the Securities Purchase Agreement and Common Shares shall bear any applicable legend as set forth in Section 5(c) of the Securities Purchase Agreement or pursuant to Exhibit I.

16. REISSUANCE OF THIS NOTE.

(a) Transfer. If this Note is to be transferred, the Holder shall surrender this Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Note (in accordance with Section 16(d)), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Note (in accordance with Section 16(d)) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section 3(c)(iii) following conversion or redemption of any portion of this Note, the outstanding Principal represented by this Note may be less than the Principal stated on the face of this Note.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note (in accordance with Section 16(d)) representing the outstanding Principal.

(c) Note Exchangeable for Different Denominations. This Note is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Note or Notes (in accordance with Section 16(d) and in principal amounts of at least \$1,000) representing in the aggregate the outstanding Principal of this Note, and each such new Note will represent such portion of such outstanding Principal as is designated by the Holder at the time of such surrender.

(d) Issuance of New Notes. Whenever the Company is required to issue a new Note pursuant to the terms of this Note, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Principal remaining outstanding (or in the case of a new Note being issued pursuant to Section 16(a) or Section 16(c), the Principal designated by the Holder which, when added to the principal represented by the other new Notes issued in connection with such issuance, does not exceed the Principal remaining outstanding under this Note immediately prior to such issuance of new Notes), (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Issuance Date of this Note, (iv) shall have the same rights and conditions as this Note, and (v) shall represent accrued and unpaid

Interest and Late Charges on the Principal and Interest of this Note (or in the case of a new Note being issued pursuant to Section 16(a) or Section 16(c), accrued and unpaid Interest and Late Charges applicable to such new Note, when added to the Interest and Late Charges applicable to such other new Notes issued in connection with such issuance, does not exceed the accrued and unpaid Interest and Late Charges applicable to this Note immediately prior to such issuance of new Notes), from the Issuance Date.

17. REMEDIES, CHARACTERIZATIONS, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and any of the other Transaction Documents at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Note. The Company shall not be liable for any incidental, indirect, special or consequential damages of any nature whatsoever, including, but not limited to, loss of anticipated profits, in the absence of gross negligence or willful misconduct by the Company or any of its employees, officers, directors or agents. No failure on the part of the Holder to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Holder of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. In addition, the exercise of any right or remedy of the Holder at law or equity or under this Note or any of the documents shall not be deemed to be an election of Holder's rights or remedies under such documents or at law or equity. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note (including, without limitation, compliance with Section 7).

18. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note or (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Note, then the Company shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements. The Company expressly acknowledges and agrees that no amounts due under this Note shall be affected, or limited, by the fact that the purchase price paid for this Note was less than the original Principal amount hereof.

19. CONSTRUCTION; HEADINGS. This Note shall be deemed to be jointly drafted by the Company and the initial Holder and shall not be construed against any such Person as the drafter hereof. The headings of this Note are for convenience of reference and shall not form part of, or affect the

interpretation of, this Note. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms “including,” “includes,” “include” and words of like import shall be construed broadly as if followed by the words “without limitation.” The terms “herein,” “hereunder,” “hereof” and words of like import refer to this entire Note instead of just the provision in which they are found. Unless expressly indicated otherwise, all section references are to sections of this Note. Terms used in this Note and not otherwise defined herein, but defined in the other Transaction Documents, shall have the meanings ascribed to such terms on the Issuance Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

20. FAILURE OR INDULGENCE NOT WAIVER. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. Notwithstanding the foregoing, nothing contained in this Section 20 shall permit any waiver of any provision of Section 3(d).

21. DISPUTE RESOLUTION.

(a) Submission to Dispute Resolution.

(i) In the case of a dispute relating to a Closing Bid Price, a Closing Sale Price, a Market Price, a Conversion Price, an Installment Conversion Price, an Alternate Conversion Price, or a fair market value or the arithmetic calculation of a Conversion Rate, or the applicable Redemption Price (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or the Holder (as the case may be) shall submit the dispute to the other party via facsimile or electronic mail (A) if by the Company, within two (2) Business Days after the occurrence of the circumstances giving rise to such dispute or (B) if by the Holder at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to promptly resolve such dispute relating to such Closing Bid Price, such Closing Sale Price, such Market Price, such Conversion Price, such Installment Conversion Price, such Alternate Conversion Price or such fair market value, or the arithmetic calculation of such Conversion Rate, or such applicable Redemption Price (as the case may be), at any time after the second (2nd) Business Day following such initial notice by the Company or the Holder (as the case may be) of such dispute to the Company or the Holder (as the case may be), then the Holder may, with the consent of the Company (not to be unreasonably withheld or delayed) select an independent, reputable investment bank to resolve such dispute.

(ii) The Holder and the Company shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 21 and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (Toronto time) by the fifth (5th) Business Day immediately following the date on which the Holder selected such investment bank (the “**Dispute Submission Deadline**”) (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the “**Required**

Dispute Documentation) (it being understood and agreed that if either the Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and the Holder or otherwise requested by such investment bank, neither the Company nor the Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(iii) The Company and the Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and the Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank's resolution of such dispute shall be final and binding upon all parties absent manifest error.

22. NOTICES; CURRENCY; PAYMENTS.

(a) Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 9(f) of the Securities Purchase Agreement. The Company will give written notice to the Holder (i) immediately upon any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least five (5) Trading Days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, or (B) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

(b) Currency. All dollar amounts referred to in this Note are in Canadian Dollars (“**Canada Dollars**” or “\$”), and all amounts owing under this Note shall be paid in Canadian Dollars. All amounts denominated in other currencies (if any) shall be converted into the Canadian Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. “**Exchange Rate**” means, in relation to any amount of currency to be converted into Canadian Dollars pursuant to this Note, the Canadian Dollar exchange rate as published by the Bank of Canada on the relevant date of calculation (it being understood and agreed that where an amount is calculated with reference to, or over, a period of time, the date of calculation shall be the final date of such period of time).

(c) Payments. Whenever any payment of cash is to be made by the Company to any Holder pursuant to this Note, unless otherwise expressly set forth herein, such payment shall be made in Canadian Dollars by wire transfer of immediately available funds pursuant to the Holder's wire transfer instructions previously provided. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day. Any amount of Principal or other amounts due under the

Transaction Documents which is not paid when due (except to the extent such unpaid amount is then accruing Interest at the Default Rate or if it is itself a Late Charge, in which case no additional Late Charges thereon shall accrue hereunder) shall result in a late charge being incurred and payable by the Company in an amount equal to interest on such amount at the Default Rate from the date such amount was due until the same is paid in full or such failure or default is cured or waived, as applicable (each, a “**Late Charge**”). Notwithstanding any terms or conditions hereof, and for greater certainty: (i) Late Charges owing or payable in respect of Transaction Documents (other than this Note) shall not, other than at the election of the Company in its sole discretion, be convertible into Common Shares hereunder; (ii) any amount outstanding hereunder accruing Interest at the Default Rate shall not ever simultaneously accrue Late Charges hereunder, (iii) unpaid Late Charges shall accrue, but shall not compound, hereunder, and (iv) any accrued and unpaid Late Charges outstanding as of any given Interest Date shall, unless earlier paid at the election of the Company, be due and payable in cash on such Interest Date.

23. CANCELLATION. After all Principal, accrued Interest, Late Charges and other amounts at any time owed on this Note have been paid in full, this Note shall automatically be deemed canceled, shall be surrendered to the Company for cancellation and shall not be reissued.

24. WAIVER OF NOTICE. To the extent permitted by law, the Company hereby irrevocably waives demand, notice, presentment, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Securities Purchase Agreement.

25. GOVERNING LAW. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the laws of the Province of Ontario, without giving effect to any choice of law or conflict of law provision or rule (whether of the Province of Ontario or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the Province of Ontario. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY.**

26. JUDGMENT CURRENCY.

(a) If for the purpose of obtaining or enforcing judgment against the Company it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 26 referred to as the “**Judgment Currency**”) an amount due in Canadian Dollars under this Note, the conversion shall be made at the Exchange Rate prevailing on the Trading Day immediately preceding:

(i) the date actual payment of the amount due, in the case of any proceeding in the courts of Ontario or in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or

(ii) the date on which the foreign court determines, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 26(a)(ii) being hereinafter referred to as the “**Judgment Conversion**”

Date”).

(b) If in the case of any proceeding in the court of any jurisdiction referred to in Section 26(a)(ii) above, there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable party shall pay such adjusted amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, will produce the amount of Canadian Dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

(c) Any amount due from the Company under this provision shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Note.

27. SEVERABILITY. If any provision of this Note is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Note so long as this Note as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

28. MAXIMUM PAYMENTS. Without limiting Section 9(d) of the Securities Purchase Agreement, nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company.

29. CERTAIN DEFINITIONS. For purposes of this Note, the following terms shall have the following meanings:

(a) “**Additional Redemption Price**” means 115% of the Installment Amount (unless such Additional Redemption occurs in connection with a Subsequent Placement (as defined in the Securities Purchase Agreement) pursuant to Section 4(p) of the Securities Purchase Agreement, in which case the Additional Redemption Price shall be 100% of the Installment Amount).

(b) “**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that “control” of a Person means the power directly or indirectly either to vote 10% or more of the shares having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such

Person whether by contract or otherwise.

(c) “**Alternate Conversion Price**” means, with respect to any Alternate Conversion that price which shall be the lowest of (i) the applicable Conversion Price as in effect on the applicable Conversion Date of the applicable Alternate Conversion, and (ii) the Market Price for the Common Shares as of the Trading Day of the delivery or deemed delivery of the applicable Conversion Notice; provided, however, that the Alternate Conversion Price may not be less than \$0.05 per share. All such determinations to be appropriately adjusted for any share dividend, share split, share combination, reclassification or similar transaction that proportionately decreases or increases the Common Shares during such measuring period in accordance with Section 7. The Company agrees to use best efforts to seek all applicable approvals of the CSE to the Alternative Conversions. Notwithstanding anything to the contrary contained herein, the provisions of this Section 29(e) shall not be applicable unless the Company has obtained all applicable approvals required by the rules and regulations of the CSE.

(d) “**Alternate Conversion Redemption Premium**” means 115%, provided that, prior to the Shareholder Approval Date, to the extent the discount received by the Holder as a result of the Alternate Conversion Redemption Premium is not permitted pursuant to the policies of the CSE, the Alternate Conversion Redemption Premium shall be reduced, as necessary, in order to ensure that the discount received by the Holder in respect of any conversion into Common Shares hereunder does not breach the provisions of CSE policies.

(e) “**Attribution Parties**” means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Issuance Date, directly or indirectly managed or advised by the Holder’s investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting jointly or in concert with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership or control, whether directly or indirectly, of the Company’s Common Shares would or could be aggregated with the Holder’s and the other Attribution Parties for purposes of the provisions of the *Securities Act* (Ontario). For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(f) “**Bloomberg**” means Bloomberg, L.P.

(g) “**Business Day**” means any day other than Saturday, Sunday or other day on which commercial banks in the Province of Ontario are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to “stay at home”, “shelter-in-place”, “non-essential employee” or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in the Province of Ontario generally are open for use by customers on such day.

(h) “**\$**” means the lawful money of Canada.

(i) “**Cash**” of the Company and its Subsidiaries on any date shall be determined from such Persons’ books maintained in accordance with IFRS, and means, without duplication, the cash

and cash equivalents accrued by the Company and its wholly owned, direct and indirect Subsidiaries on a consolidated basis on such date.

(j) **“Change of Control”** means any Fundamental Transaction other than (i) any merger of the Company or any of its, direct or indirect, wholly-owned Subsidiaries with or into any of the foregoing Persons, (ii) any reorganization, recapitalization or reclassification of the Common Shares in which holders of the Company’s voting power immediately prior to such reorganization, recapitalization or reclassification continue after such reorganization, recapitalization or reclassification to hold publicly traded securities and, directly or indirectly, are, in all material respects, the holders of the voting power of the surviving entity (or entities with the authority or voting power to elect the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities) after such reorganization, recapitalization or reclassification, or (iii) pursuant to a migratory merger effected solely for the purpose of changing the jurisdiction of incorporation of the Company or any of its Subsidiaries.

(k) **“Change of Control Redemption Premium”** means 115%.

(l) **“Closing Bid Price”** and **“Closing Sale Price”** means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the CSE, as reported by Bloomberg, or, if the CSE begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00 p.m., Toronto time, as reported by Bloomberg, or, if the CSE is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported on the Pink Open Market operated by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 21. All such determinations shall be appropriately adjusted for any share splits, share dividends, share combinations, recapitalizations or other similar transactions during such period in accordance with Section 7.

(m) **“Common Shares”** means common shares in the capital of the Company as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Section 7 herein, or successive such subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Note, **“Common Shares”** shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.

(n) “CSE” means the Canadian Securities Exchange.

(o) “**Default Rate**” means a rate, per annum, equal to the sum of (i) the greater of (x) the Prime Rate (as defined below) and (y) one (1) percent per annum, plus (ii) 10% per annum, where the “Prime Rate” is the rate of interest quoted by the operating Lender providing financing to the Company and/or its Subsidiaries as its prime rate for loans advanced in Canadian Dollars from time to time.

(p) “**Eligible Market**” means The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Select Market, the Nasdaq Global Market, the Toronto Stock Exchange, TSX Venture Exchange, NEO Exchange Inc. or the CSE.

(q) “**Equity Conditions**” means, with respect to a given date of determination: (i) on each day during the period beginning thirty calendar days prior to such applicable date of determination and ending on and including such applicable date of determination (or, with respect to the initial Installment Date, on the initial Installment Date) all Underlying Securities (as defined in the Securities Purchase Agreement) shall either (x) be eligible to be immediately delivered to the Holder without any Canadian restrictive legends and are eligible for immediate issuance to the Holder without restriction or limitation in Canada under Canadian securities laws, (y) be eligible for sale by the Holder pursuant to Rule 144 (as defined in the Securities Purchase Agreement) without the need for registration or a prospectus under any applicable provincial, federal or state securities laws (in each case, disregarding any limitation on conversion of the Note, other issuance of securities with respect to the Note and exercise of the Warrants) and no Current Public Information Failure (as defined in the Securities Purchase Agreement) exists or is continuing, and/or (z) be eligible for sale by the Holder pursuant to Regulation S (as defined in the Securities Purchase Agreement); (ii) on each day during the period beginning thirty calendar days prior to the applicable date of determination and ending on and including the applicable date of determination (the “**Equity Conditions Measuring Period**”), the Common Shares (including all Underlying Securities) are listed or designated for quotation (as applicable) on an Eligible Market and shall not have been suspended from trading on an Eligible Market (other than suspensions of not more than two (2) days and occurring prior to the applicable date of determination due to business announcements by the Company) nor shall a delisting be reasonably likely to occur after giving effect to all applicable notice, appeal, compliance and hearing periods; (iii) during the Equity Conditions Measuring Period, the Company shall have delivered all Common Shares issuable upon conversion of this Note on a timely basis as set forth in Section 3 hereof (including, without limitation, no Conversion Failure shall exist for more than two (2) Trading Days) and all other shares of share capital required to be delivered by the Company on a timely basis as set forth in the other Transaction Documents (other than the Company’s failure to timely deliver Common Shares on no more than three (3) occasions in any calendar year); (iv) any Common Shares to be issued in connection with the event requiring determination (or issuable upon conversion of the Conversion Amount being redeemed in the event requiring this determination (excluding any Installment Redemption Amount, with respect to any Installment Redemption hereunder)) may be issued in full without violating Section 3(d) hereof; (v) any Common Shares to be issued in connection with the event requiring determination may be issued in full without violating the rules or regulations of the Eligible Market on which the Common Shares are then listed or designated for quotation (as applicable); (vi) on each day during the Equity Conditions Measuring Period, no public announcement of a pending, proposed or intended Fundamental Transaction shall have occurred which has not been abandoned,

terminated or consummated; (vii) the Company shall have no knowledge of any fact that would reasonably be expected to cause the Common Shares to be issued in connection with the event requiring determination to not either (x) be eligible to be immediately delivered without any Canadian restrictive legends and be eligible for immediate issuance without restriction or limitation in Canada under Canadian securities laws or (y) be eligible for sale pursuant to Rule 144 without the need for registration or a prospectus under any applicable federal or state securities laws (in each case, disregarding any limitation on conversion of the Note, other issuance of securities with respect to the Note and exercise of the Warrants) and no Current Public Information Failure exists or is continuing or (z) be eligible for sale pursuant to Regulation S; (viii) the Holder shall not be in possession of any material, non-public information provided to any of them by the Company, any of its Subsidiaries or any of their respective affiliates, employees, officers, representatives, agents or the like; (ix) there shall not exist a Bankruptcy Event of Default or an Event of Default pursuant to Section 4(a)(iii) (without regard to any cure period therein); (x) no *bona fide* dispute shall exist, by and between the Holder and the Company on the one hand, the CSE (or such applicable Eligible Market in which the Common Shares of the Company are then principally trading), the CSA (as defined in the Securities Purchase Agreement), on the other hand, with respect to any term or provision of any Note or any other Transaction Document and (xi) the Common Shares issuable pursuant to the event requiring the satisfaction of the Equity Conditions are duly authorized and listed and eligible for trading without restriction on an Eligible Market pursuant to the rules of such Eligible Market.

(r) **“Equity Conditions Failure”** means that on any day during the period commencing ten (10) Trading Days prior to the applicable Installment Notice Date through the later of the applicable Installment Date and the date on which the applicable Common Shares are actually delivered to the Holder, the Equity Conditions have not been satisfied (or waived in writing by the Holder).

(s) **“Fundamental Transaction”** means (A) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company to one or more Subject Entities, or (iii) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its Common Shares be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either (x) 50% of the outstanding Common Shares, (y) 50% of the outstanding Common Shares calculated as if any Common Shares held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding; or (z) such number of Common Shares such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners of at least 50% of the outstanding Common Shares, or (iv) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby all such Subject Entities, individually or in the aggregate, acquire, either (x) at least 50% of the outstanding Common Shares, (y) at least 50% of the outstanding Common Shares calculated as if any Common Shares held by all the Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such stock or share purchase agreement or other business combination were not outstanding; or (z) such number of Common Shares such that the Subject Entities become collectively the beneficial owners of at

least 50% of the outstanding Common Shares, or (v) reorganize, recapitalize or reclassify its Common Shares, (B) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the beneficial owner, directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in outstanding Common Shares, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of either (x) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Common Shares, (y) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Common Shares not held by all such Subject Entities as of the date of this Note calculated as if any Common Shares held by all such Subject Entities were not outstanding, or (z) a percentage of the aggregate ordinary voting power represented by issued and outstanding Common Shares or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other shareholders of the Company to surrender their Common Shares without approval of the shareholders of the Company or (C) directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

(t) “**IFRS**” means International Financial Reporting Standards principles, consistently applied.

(u) “**Indebtedness**” shall have the meaning ascribed to such term in the Securities Purchase Agreement.

(v) “**Installment Amount**” means the sum of (A) (i) with respect to any Installment Date other than the Maturity Date, the lesser of (x) \$**[Redacted – Commercially Sensitive Information]** and (y) the Principal amount then outstanding under this Note as of such Installment Date, and (ii) with respect to the Installment Date that is the Maturity Date, the Principal amount then outstanding under this Note as of such Installment Date (in each case, as any such Installment Amount may be reduced pursuant to the terms of this Note, whether upon conversion, redemption or Deferral), (B) any Deferral Amount deferred pursuant to Section 8(d) and included in such Installment Amount in accordance therewith, (C) any Acceleration Amount accelerated pursuant to Section 8(e) and included in such Installment Amount in accordance therewith and (D) in each case of clauses (A) through (C) above, the sum of any accrued and unpaid Interest as of such Installment Date under this Note, if any, and accrued and unpaid Late Charges, if any, under this Note as of such Installment Date. In the event the Holder shall sell or otherwise transfer any portion of this Note, the transferee shall be allocated a pro rata portion of each unpaid Installment Amount hereunder.

(w) “**Installment Conversion Price**” means, with respect to a particular date of determination, which shall be the Conversion Price then in effect as of the applicable Installment Date. All such determinations to be appropriately adjusted for any share split, share dividend, share combination or other similar transaction during any such measuring period in accordance

with Section 7.

(x) “**Installment Date**” means (i) prior to the Maturity Date, the first Trading Day of each calendar month beginning in the month following the date that is four months and one day following the Issuance Date, and (ii) the Maturity Date.

(y) “**Interest Date**” means, with respect to any given calendar month, (i) if prior to the initial Installment Date or after the Maturity Date, the first Trading Day of such calendar month; and (ii) if on or after the initial Installment Date, but on or prior to the Maturity Date, such Installment Date, if any, in such calendar month.

(z) “**Interest Rate**” means 5% per annum.

(aa) “**Market Price**” shall mean, in accordance with the policies of the CSE, the closing trading price on the CSE, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs, on the Trading Day immediately preceding the relevant date.

(bb) “**Maturity Date**” shall mean September 30, 2022 ; provided, however, the Maturity Date may be extended at the option of the Holder (i) in the event that, and for so long as, an Event of Default shall have occurred and be continuing or any event shall have occurred and be continuing that with the passage of time and the failure to cure would result in an Event of Default or (ii) through the date that is twenty (20) Business Days after the consummation of a Fundamental Transaction in the event that a Fundamental Transaction is publicly announced or a Change of Control Notice is delivered prior to the Maturity Date, provided further that if a Holder elects to convert some or all of this Note pursuant to Section 3 hereof, and the Conversion Amount would be limited pursuant to Section 3(d) hereunder, the Maturity Date shall automatically be extended until such time as such provision shall not limit the conversion of this Note.

(cc) “**Original Issue Discount**” means the discount in price from the Original Principal Amount at the time the Note is first issued.

(dd) “**Parent Entity**” of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common shares or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(ee) “**Permitted Indebtedness**” [Redacted – Commercially Sensitive Information].

(ff) “**Permitted Liens**” [Redacted – Commercially Sensitive Information].

(gg) “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(hh) “**Redemption Notices**” means, collectively, the Event of Default Redemption Notices, Additional Redemption Notices, the Installment Notices with respect to any Installment

Redemption and the Change of Control Redemption Notices, and each of the foregoing, individually, a “**Redemption Notice.**”

(ii) “**Redemption Premium**” means 115%.

(jj) “**Redemption Prices**” means, collectively, Event of Default Redemption Prices, Additional Redemption Price, the Change of Control Redemption Prices and the Installment Redemption Prices, and each of the foregoing, individually, a “**Redemption Price.**”

(kk) “**Reporting Jurisdictions**” means the Provinces of British Columbia, Ontario and Alberta.

(ll) “**Securities Purchase Agreement**” means that certain securities purchase agreement, dated as of the Subscription Date, by and among the Company and the Holder, as may be amended from time to time.

(mm) “**Subscription Date**” means March 31, 2021.

(nn) “**Subsidiaries**” shall mean all of the Persons who, for the purposes of all financial statements prepared in accordance with GAAP, are consolidated with the Company.

(oo) “**Subject Entity**” means any Person, Persons or joint actor or any Affiliate or associate of any such Person, Persons or joint actor.

(pp) “**Successor Entity**” means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(qq) “**Trading Day**” means, as applicable, (x) with respect to all price or trading volume determinations relating to the Common Shares, any day on which the Common Shares are traded on the CSE, or, if the CSE is not the principal trading market for the Common Shares, then on the principal securities exchange or securities market on which the Common Shares are then traded, provided that “Trading Day” shall not include any day on which the Common Shares are scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Shares are suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., Toronto time) or (y) with respect to all determinations other than price determinations relating to the Common Shares, any day on which the CSE (or any successor thereto) is open for trading of securities.

(rr) “**Warrants**” has the meaning ascribed to such term in the Securities Purchase Agreement, and shall include all warrants issued in exchange therefor or replacement thereof.

30. DISCLOSURE. Upon delivery by the Company to the Holder (or receipt by the Company from the Holder) of any notice in accordance with the terms of this Note, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Company or any of its Subsidiaries, the Company shall on or prior to 9:00 am,

Toronto city time on the Business Day immediately following such notice delivery date, publicly disclose such material, non-public information with the CSA (as defined in the Securities Purchase Agreement) pursuant to a material change report filed with SEDAR (a “**Material Change Report**”) or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or any of its Subsidiaries, the Company so shall indicate to the Holder explicitly in writing in such notice (or immediately upon receipt of notice from the Holder, as applicable), and in the absence of any such written indication in such notice (or notification from the Company immediately upon receipt of notice from the Holder), the Holder shall be entitled to presume that information contained in the notice does not constitute material, non-public information relating to the Company or any of its Subsidiaries. Nothing contained in this Section 30 shall limit any obligations of the Company, or any rights of the Holder, under Section 4(k) of the Securities Purchase Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed as of the Issuance Date set out above.

NEXTLEAF SOLUTIONS LTD.

By: _____
Name: Paul Pedersen
Title: Chief Executive Officer

EXHIBIT I

**NEXTLEAF SOLUTIONS LTD.
CONVERSION NOTICE**

TO: NEXTLEAF SOLUTIONS LTD.

Reference is made to the Senior Secured Convertible Note (the “**Note**”) issued to the undersigned by Nextleaf Solutions Ltd., a corporation incorporated under the laws of the Province of British Columbia, Canada (the “**Company**”). In accordance with and pursuant to the Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Note) of the Note indicated below into common shares (the “**Common Shares**”), of the Company, as of the date specified below. Capitalized terms not defined herein shall have the meaning as set forth in the Note.

Date of Conversion: _____

Principal to be converted: _____

Accrued and unpaid Interest and accrued and unpaid Late Charges with respect to such portion of the Principal and such Interest to be converted: _____

AGGREGATE CONVERSION AMOUNT TO BE CONVERTED: _____

Please confirm the following information:

Conversion Price: _____

Number of Common Shares to be issued: _____

Installment Amount(s) to be reduced (and corresponding Installment Date(s)) and amount of reduction: _____

If this Conversion Notice is being delivered with respect to an Alternate Conversion, check here if Holder is electing to use the following Alternate Conversion Price: _____

If this Conversion Notice is being delivered with respect to an Acceleration, check here if Holder is electing to use _____ as the Installment Conversion Price related to the following Installment Date: _____

Maximum Percentage Representation

Pursuant to Section 3(d)(i) of the Note, the Company shall not issue any Common Shares pursuant to the Note, and the Holder shall not have the right to receive any Common Shares pursuant to the Note and any such issuance shall be null and void and treated as if never made, to the extent that after giving effect to such issuance, the Holder together with the other Attribution Parties collectively would beneficially own or control, directly or indirectly, in excess of the Maximum Percentage. Notwithstanding anything to the contrary contained herein, the Holder hereby represents and warrants that the Holder, together with its Attribution Parties, immediately after giving effect to the conversion contemplated herein, will not beneficially own or control, directly or indirectly, a number of Common Shares which exceeds the Maximum Percentage (as defined in Section 3(d)(i) of the Note) after giving effect to such conversion. The Holder represents that it has made all reasonable inquiries to ensure that the information provided in this Conversion Notice is true and correct in all respects. **The Holder hereby covenants and agrees that any increase to the number of Common Shares held or controlled, directly or indirectly, by such Holder together with the other Attribution Parties occurring from the time this Conversion Notice is delivered and prior to the Share Issuance shall be reported immediately to the Company.**

Check here if requesting delivery of such Common Shares as a certificate pursuant to the following instructions:

Registration Instructions	Address for Delivery	Number of Common Shares
•	•	•
Legends		
[To be included if converted prior to August 1, 2021] "UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE AUGUST 1, 2021]."		

Check here if on or after August 1, 2021 and requesting delivery of such Common Shares electronically with The Canadian Depository for Securities in connection with the resale of such Common Shares (or proposed resale within twenty (20) Trading Days of the date hereof) as follows:

Registration: CDS&Co., 85 Richmond Street West, Toronto, ON

CDS Participant:

CUID Number:

Deposit ID:

Contact Name,
Phone and E-mail:

NOTE TO BROKER: DEPOSIT SHOULD BE KEYED INTO CDS AS AN INSTANT DEPOSIT

Date: _____, _____

Name of Registered Holder

By: Name: _____

Title: _____

Tax ID: _____

Facsimile: _____

E-mail Address: _____

EXHIBIT B

[FORM OF WARRANT]

THE NUMBER OF COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 1(a) OF THIS WARRANT.

UNLESS PERMITTED UNDER APPLICABLE SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY IN CANADA BEFORE AUGUST 1, 2021.

NEXTLEAF SOLUTIONS LTD.

WARRANT TO PURCHASE COMMON SHARES

Warrant Certificate No.: 2021-W01

Warrant Number: 6,875,000

Date of Issuance: March 31, 2021 (“**Issuance Date**”)

Nextleaf Solutions Ltd., a corporation incorporated under the laws of the Province of British Columbia, Canada (the “**Company**”), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **[Redacted – Commercially Sensitive Information]**, the registered holder hereof or its permitted assigns (the “**Holder**”), shall have the right, upon and subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon exercise of this Warrant to Purchase Common Shares (including any Warrants to Purchase Common Shares issued in exchange, transfer or replacement hereof, the “**Warrant**”), at any time or times after the Issuance Date, but not after 11:59 p.m. Toronto time on the Expiration Date (as defined below), 6,875,000 (subject to adjustment as provided herein) fully paid and non-assessable Common Shares (as defined below) (the “**Warrant Shares**”, and such number of Warrant Shares, the “**Warrant Number**”). Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in Section 18. This Warrant is one of the Warrants to purchase Common Shares (the “**SPA Warrants**”) issued pursuant to Section 1 of that certain Securities Purchase Agreement, dated as of March 31, 2021 (the “**Subscription Date**”), by and among the Company and the investor (the “**Buyer**”) referred to therein, as amended from time to time (the “**Securities Purchase Agreement**”), which SPA Warrants are evidenced by warrant certificates in the form of **Exhibit B** to the Securities Purchase Agreement (each, a “**Warrant Certificate**”).

1. **EXERCISE OF WARRANT.**

(a) **Mechanics of Exercise.** Subject to the terms and conditions hereof (including, without limitation, the limitations set forth in Section 1(e)), this Warrant may be exercised by the Holder on any day on or after the Issuance Date (an “**Exercise Date**”) on or prior to 4:00 p.m., Toronto time, on such date, in whole or in part, by delivery (whether via facsimile, e-mail or otherwise) of a written notice, in the form attached hereto as **Exhibit A** (the “**Exercise Notice**”), of the Holder’s election to exercise this Warrant. For greater certainty, an Exercise Notice received by the Company after 4:00 p.m., Toronto time, shall be deemed to have been received on the following Trading Day. Within one (Trading Day following

an exercise of this Warrant as aforesaid, the Holder shall deliver payment to the Company of an amount equal to the Exercise Price in effect on the date of such exercise multiplied by the number of Warrant Shares as to which this Warrant was so exercised (the “**Aggregate Exercise Price**”) in cash or via wire transfer of immediately available funds. The Holder shall not be required to deliver the original of this Warrant Certificate in order to effect an exercise hereunder. Execution and delivery of an Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original of this Warrant Certificate and issuance of a new Warrant Certificate evidencing the right to purchase the remaining number of Warrant Shares. Execution and delivery of an Exercise Notice for all of the then-remaining Warrant Shares shall have the same effect as cancellation of the original of this Warrant Certificate after delivery of the Warrant Shares in accordance with the terms hereof. On or before the first (1st) Trading Day following the date on which the Company has received an Exercise Notice, the Company shall transmit by facsimile or electronic mail a treasury direction to the transfer agent (the “**Transfer Agent**”), to issue the Common Shares in accordance with the registration instructions in the Exercise Notice. On or before the second (2nd) Trading Day following the date on which the Company has received such Exercise Notice, the Company shall either (i) at any time on or after August 1, 2021 (each, an “**Canadian Resale Eligibility Date**”), provided that the Transfer Agent is participating in The Canadian Depository for Securities (“**CDS**”), credit such aggregate number of Warrant Shares to which the Holder is entitled pursuant to such Exercise Notice (the “**Applicable Warrant Shares**”) to the Holder’s or its designee’s balance account with CDS (each such issuance and delivery of Applicable Warrant Shares pursuant to this clause (i), an “**Electronic Share Issuance**”) or (ii) otherwise, to issue and deliver (via reputable overnight courier) to the address as specified in the applicable Exercise Notice a certificate, registered in the name of the Holder (or its designee), for such Applicable Warrant Shares (each such issuance and delivery of Applicable Warrant Shares pursuant to this clause (ii), a “**Certificated Share Issuance**”, and together with each Electronic Share Issuance, each, a “**Share Issuance**”). Notwithstanding the foregoing, (I) whether or not the Applicable Warrant Shares are eligible for an Electronic Share Issuance, if the Buyer elects to effect such applicable Share Issuance pursuant to a Certificated Share Issuance in such Exercise Notice, such Share Issuance shall be consummated as a Certificated Share Issuance and (II) if such Applicable Warrant Shares are eligible to be delivered pursuant to CDS in accordance with clause (i) of this Section 1(a), the Company shall cause the Applicable Warrant Shares to be delivered to the Holder (or its designee) in accordance with the election of the Holder as set forth in such Exercise Notice (or, in the absence of any such election or an election to deliver as a Certificated Share Issuance, such Applicable Warrant Shares shall be delivered to the Holder (or its designee) in accordance with clause (i) of this Section 1(a) above). Upon receipt of an Exercise Notice, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date such Warrant Shares are credited to the Holder’s account with CDS or the date of delivery of the certificates evidencing such Warrant Shares (as the case may be). If this Warrant Certificate is submitted in connection with any Exercise Notice, pursuant to this Section 1(a), and the number of Warrant Shares represented by this Warrant Certificate submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise and upon surrender of this Warrant Certificate to the Company by the Holder, then, at the request of the Holder, the Company shall as soon as practicable and in no event later than two (2) Business Days after any exercise and at its own expense, issue and deliver to the Holder (or its designee) a new Warrant Certificate (in accordance with Section 6(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant Certificate, less the number of Warrant Shares with respect to which this Warrant Certificate is exercised. No fractional Warrant Shares are to be issued upon the exercise of this Warrant, but rather the number of Warrant Shares to be issued shall be rounded down to the nearest whole number. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent) that may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant. Notwithstanding the foregoing, the Company’s failure to

issue and deliver Warrant Shares to the Holder on or prior to the later of (A) two (2) Trading Days after receipt of the applicable Exercise Notice and (B) one (1) Trading Day after the Company's receipt of the Aggregate Exercise Price (such later date, the "**Share Delivery Date**") shall not be deemed to be a breach of this Warrant. In addition, notwithstanding the foregoing, the Company's failure to issue and deliver Warrant Shares by way of an Electronic Share Issuance via CDS by the Share Delivery Date, if due to the failure of the Holder to provide a Deposit ID valid on such date of issuance shall not be deemed to be a breach of this Warrant and shall not constitute a Delivery Failure (as defined below).

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means \$0.288, subject to adjustment as provided herein.

(c) Company's Failure to Timely Deliver Securities. If the Company shall fail, for any reason or for no reason, on or prior to the Share Delivery Date (or, solely with respect to a Certificated Share Issuance, the first Trading Day after such Share Delivery Date)(as applicable, each, a "**Delivery Failure Deadline**"), to issue and deliver (or cause to be delivered) to the Holder (or its designee) by the Delivery Failure Deadline, in compliance with Section 1(a) above, such Applicable Warrant Shares in the manner specified by Section 1(a) above (each, a "**Delivery Failure**"), then, in addition to all other remedies available to the Holder, (X) the Company shall pay in cash (each, a "**Delivery Failure Amount**") to the Holder for each Trading Day after the Delivery Failure Deadline and during such Delivery Failure an amount equal to 0.75% of the product of (A) the sum of the number of Common Shares not issued to the Holder on or prior to the Delivery Failure Deadline and to which the Holder is entitled, multiplied by (B) any trading price of the Common Shares selected by the Holder in writing as in effect at any time during the period beginning on the applicable Exercise Date and ending on the applicable Delivery Failure Deadline, and (Y) the Holder, upon written notice to the Company, may void its Exercise Notice with respect to, and retain or have returned, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the voiding of an Exercise Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice pursuant to this Section 1(c) or otherwise. Such Delivery Failure Amount shall be due and payable to the Holder on or before the fifth (5th) Business Day following the cure of such Delivery Failure or voiding of an Exercise Notice. Notwithstanding the foregoing, no Delivery Failure Amount shall begin to accrue until after at least three (3) Trading Days have occurred in which one or more Delivery Failures (as defined above) and/or Conversion Failures (as defined in the Note), as applicable, have occurred or are continuing in any given calendar year, after which and starting on such fourth (4th) Trading Day the Delivery Failure Amount shall begin to accrue. In addition to the foregoing, if a Delivery Failure occurs and if on or after such Share Delivery Date the Holder purchases (in an open market transaction) Common Shares corresponding to all or any portion of the number of Common Shares issuable upon such exercise that the Holder is entitled to receive from the Company and has not received from the Company in connection with such Delivery Failure (a "**Buy-In**"), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after the Holder's request promptly honor its obligation to so issue and deliver to the Holder a certificate or certificates representing such Warrant Shares or credit the balance account of such Holder or such Holder's designee, as applicable, with CDS for the number of Warrant Shares to which the Holder is entitled upon the Holder's exercise hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the Common Shares so purchased (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the "**Buy-In Price**"), over the product of (A) such number of Warrant Shares, multiplied by (B) the lowest Closing Sale Price of the Common Shares on any Trading Day during the period commencing on the date of the applicable Exercise Notice and ending on the date of such issuance and payment under this clause (ii) (the "**Buy-In Payment Amount**"). Nothing shall limit the Holder's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's

failure to timely deliver certificates representing Common Shares (or to electronically deliver such Common Shares) upon the exercise of this Warrant as required pursuant to the terms hereof. In addition to the foregoing rights, if the Company fails to deliver the applicable number of Warrant Shares upon an exercise pursuant to Section 1 by the applicable Share Delivery Date, then the Holder shall have the right to rescind such exercise in whole or in part and retain and/or have the Company return, as the case may be, any portion of this Warrant that has not been exercised pursuant to such Exercise Notice; provided that the rescission of an exercise shall not affect the Company's obligation to make any payments that have accrued prior to the date of such notice pursuant to this Section 1(c) or otherwise.

(d) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the number of Warrant Shares to be issued pursuant to the terms hereof, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 13.

(e) Limitations on Exercises.

(i) Beneficial Ownership. The Company shall not effect the exercise of any portion of this Warrant, and the Holder shall not have the right to exercise any portion of this Warrant, pursuant to the terms and conditions of this Warrant and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the Holder together with the other Attribution Parties collectively would beneficially own or control, directly or indirectly, in excess of 9.99% (the "**Maximum Percentage**") of the Common Shares outstanding immediately after giving effect to such exercise. For purposes of the foregoing sentence, the aggregate number of Common Shares beneficially owned by the Holder and the other Attribution Parties shall include the number of Common Shares held by the Holder and all other Attribution Parties plus the number of Common Shares issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude Common Shares which would be issuable upon (A) exercise of the remaining, unexercised portion of this Warrant beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any convertible notes or convertible preferred shares or warrants, including other SPA Warrants) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 1(e). For purposes of this Section 1(e), a person shall be deemed to be the "Beneficial Owner" of, and to have "**Beneficial Ownership**" of, any securities as to which such Person or any of such Person's Affiliates own, either directly or indirectly, or exercise control or direction over, including exercising one or both of voting or investment power. A Person shall be deemed to own beneficially securities beneficially owned by a company controlled by the Person or by any of such Person's Affiliates. Beneficial Ownership shall include ownership through a trustee, legal representative, agent or other intermediary and shall include the interest of an entitlement holder, as defined in the *Securities Transfer Act, 2006*, with respect to that security, but does not include the interest of an entitlement holder that is a securities intermediary, as defined in the *Securities Transfer Act, 2006*, that has established a security entitlement, as defined in the *Securities Transfer Act, 2006*, in favour of its entitlement holder with respect to that security. For purposes of determining the number of outstanding Common Shares the Holder may acquire upon the exercise of this Warrant without exceeding the Maximum Percentage, the Holder may rely on a written notice by the Company or the Transfer Agent, if any, setting forth the number of Common Shares outstanding (the "**Reported Outstanding Share Number**"). If the Company receives an Exercise Notice from the Holder, the Company shall (i) notify the Holder in writing of the number of Common Shares then outstanding and, to the extent that such Exercise Notice would otherwise cause the Holder's beneficial ownership, as determined pursuant to this Section 1(e), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced

number of Warrant Shares to be acquired pursuant to such Exercise Notice (the number of shares by which such purchase is reduced, the “Reduction Shares”) and (ii) as soon as reasonably practicable, the Company shall return to the Holder any exercise price paid by the Holder for the Reduction Shares. For any reason at any time, upon the written or oral request of the Holder, the Company shall within one (1) Business Day confirm orally and in writing or by electronic mail to the Holder the number of Common Shares then outstanding. In the event that the issuance of Warrant Shares to the Holder upon exercise of this Warrant results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage, the number of Warrant Shares so issued by which the Holder’s and the other Attribution Parties’ aggregate beneficial ownership exceeds the Maximum Percentage (the “**Excess Shares**”) shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or to transfer the Excess Shares. As soon as reasonably practicable after the issuance of the Excess Shares has been deemed null and void, the Company shall return to the Holder the exercise price paid by the Holder for the Excess Shares. Upon delivery of a written notice to the Company, the Holder may from time to time increase (with such increase not effective until the sixty-first (61st) day after delivery of such notice) or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to the Holder and the other Attribution Parties and not to any other holder of SPA Warrants that is not an Attribution Party of the Holder. For purposes of clarity, the Common Shares issuable pursuant to the terms of this Warrant in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose. No prior inability to exercise this Warrant pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of exercisability. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 1(e) to the extent necessary to correct this paragraph or any portion of this paragraph which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 1(e) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of this Warrant.

2. **ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF WARRANT SHARES.** The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 2.

(a) Adjustments upon Subdivision or Consolidation of Common Shares. Without limiting any provision of this Section 2 or Section 3, if the Company, at any time on or after the Subscription Date, (i) subdivides, redivides or changes, in any way, one or more classes of its then outstanding Common Shares into a greater number of shares or (ii) reduces, combines or consolidates, in any way, one or more classes of its then outstanding Common Shares into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares outstanding immediately before such event and of which the denominator shall be the number of Common Shares outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this paragraph occurs during the period that an Exercise Price is calculated hereunder, then the calculation of such Exercise Price shall be adjusted appropriately to reflect such event. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 2(a), the number of Warrant Shares that may be purchased upon exercise of this Warrant

shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment (without regard to any limitations on exercise contained herein).

(b) Adjustments upon Distribution of Assets. If the Company shall declare or make any special dividend or other distribution of its assets (or rights to acquire its assets) to all or substantially all holders of Common Shares, by way of return of capital or otherwise (including, without limitation, any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “**Special Distribution**”), at any time after the issuance of this Warrant, then, in each such case, any Exercise Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Shares entitled to receive the Special Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Exercise Price by a fraction of which (i) the numerator shall be the Closing Bid Price of the Common Shares on the trading day immediately preceding such record date minus the value of the Special Distribution (as determined in good faith by the Company's Board of Directors) applicable to one Common Share, and (ii) the denominator shall be the Closing Bid Price of the Common Shares on the trading day immediately preceding such record date. Notwithstanding anything to the contrary contained herein, the provisions of this Section 2(b) shall not be applicable in the case of regular periodic cash dividends paid by the Company to the holders of Common Shares.

(c) Calculations. All calculations under this Section 2 shall be made by rounding to the nearest cent or the nearest 1/100th of a share, as applicable. The number of Common Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issuance or sale of Common Shares.

(d) Voluntary Adjustment By Company. Subject to the rules and regulations of the Canadian Securities Exchange (the “**CSE**”), the Company may at any time during the term of this Warrant, with the prior written consent of the Buyer (as defined in the Securities Purchase Agreement), reduce the then current Exercise Price to any amount and for any period of time deemed appropriate by the board of directors of the Company. Notwithstanding anything to the contrary contained herein, the provisions of this Section 2(d) shall not be applicable unless the Company has obtained all applicable approvals required by the applicable rules and regulations of the CSE.

3. FUNDAMENTAL TRANSACTIONS.

(a) Fundamental Transactions. Without prior written consent of the Holder, such consent to not be unreasonably withheld, delayed or denied, the Company shall not enter into or be party to a Fundamental Transaction unless (i) the Successor Entity assumes in writing all of the obligations of the Company under this Warrant and the other Transaction Documents (as defined in the Securities Purchase Agreement) in accordance with the provisions of this Section 3(a) pursuant to written agreements in form and substance satisfactory to the Holder and approved by the Holder prior to such Fundamental Transaction, including agreements to deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant, including, without limitation, which is exercisable for a corresponding number of shares of share capital equivalent to the Common Shares acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of share capital (but taking into account the relative value of the Common Shares pursuant to such Fundamental Transaction and the value

of such shares of share capital, such adjustments to the number of shares of share capital and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction) and (ii) the Successor Entity (including its Parent Entity) is a publicly traded corporation whose common equity or common shares, as applicable, is quoted on or listed for trading on an Eligible Market. Upon the consummation of each Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of the applicable Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Upon consummation of each Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon exercise of this Warrant at any time after the consummation of the applicable Fundamental Transaction, in lieu of the Common Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 2(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of this Warrant prior to the applicable Fundamental Transaction, such shares of publicly traded common equity (or its equivalent) of the Successor Entity (including its Parent Entity) which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (without regard to any limitations on the exercise of this Warrant), as adjusted in accordance with the provisions of this Warrant. Notwithstanding the foregoing, and without limiting Section 1(e) hereof, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this Section 3(a) to permit the Fundamental Transaction without the assumption of this Warrant. In addition to and not in substitution for any other rights hereunder, prior to the consummation of each Fundamental Transaction pursuant to which holders of Common Shares are entitled to receive securities or other assets with respect to or in exchange for Common Shares (a “**Corporate Event**”), the Company shall make appropriate provision to ensure that the Holder will thereafter have the right to receive upon an exercise of this Warrant at any time after the consummation of the applicable Fundamental Transaction but prior to the Expiration Date, in lieu of the Common Shares (or other securities, cash, assets or other property (except such items still issuable under Sections 2(a) above, which shall continue to be receivable thereafter)) issuable upon the exercise of the Warrant prior to such Fundamental Transaction, such shares, securities, cash, assets or any other property whatsoever (including warrants or other purchase or subscription rights) which the Holder would have been entitled to receive upon the happening of the applicable Fundamental Transaction had this Warrant been exercised immediately prior to the applicable Fundamental Transaction (without regard to any limitations on the exercise of this Warrant). Provision made pursuant to the preceding sentence shall be in a form and substance reasonably satisfactory to the Holder, acting reasonably.

(b) Application. The provisions of this Section 3 shall apply similarly and equally to successive Fundamental Transactions and Corporate Events and shall be applied as if this Warrant (and any such subsequent warrants) were fully exercisable and without regard to any limitations on the exercise of this Warrant (provided that the Holder shall continue to be entitled to the benefit of the Maximum Percentage).

4. **NONCIRCUMVENTION**. The Company hereby covenants and agrees that the Company will not, by amendment of its Articles (as defined in the Securities Purchase Agreement) or through a ny reorganization, transfer of assets, consolidation, amalgamation, plan of arrangement, dissolution, issuance or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder. Without limiting the generality of the foregoing, the Company shall take all such actions as may be necessary or appropriate in

order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the exercise of this Warrant. Notwithstanding anything herein to the contrary, if after the sixty (60) calendar day anniversary of the Issuance Date, the Holder is not permitted to exercise this Warrant in full for any reason (other than pursuant to restrictions set forth in Section 1(e) hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such exercise into Common Shares.

5. **WARRANT HOLDER NOT DEEMED A SHAREHOLDER.** Except as otherwise specifically provided herein, the Holder, solely in its capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of share capital of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in its capacity as the Holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of shares, reclassification of shares, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which it is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a shareholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 5, except for such notices to shareholders of the Company delivered on SEDAR the Company shall provide the Holder with copies of the same notices and other information given to the shareholders of the Company generally, contemporaneously with the giving thereof to the shareholders.

6. **REISSUANCE OF WARRANTS.**

(a) **Transfer of Warrant.** If this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 6(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less than the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 6(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred.

(b) **Lost, Stolen or Mutilated Warrant.** Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 6(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) **Exchangeable for Multiple Warrants.** This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 6(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, no warrants for fractional Common Shares shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 6(a) or Section 6(c), the Warrant Shares designated by the Holder which, when added to the number of Common Shares underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) shall have an issuance date, as indicated on the face of such new Warrant which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

7. NOTICES. Whenever notice is required to be given under this Warrant, unless otherwise provided herein, such notice shall be given in accordance with Section 9(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Warrant (other than the issuance of Common Shares upon exercise in accordance with the terms hereof), including in reasonable detail a description of such action and the reason therefor. Without limiting the generality of the foregoing, the Company will give written notice to the Holder (i) immediately upon each adjustment of the Exercise Price and the number of Warrant Shares, setting forth in reasonable detail, and certifying, the calculation of such adjustment(s), (ii) at least five (5) Trading Days prior to the date on which the Company closes its books or sets a record date (A) with respect to any dividend or distribution upon the Common Shares, (B) with respect to any grants, issuances or sales of any options, Convertible Securities or rights to purchase shares, warrants, securities or other property to holders of Common Shares or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder, and (iii) at least ten (10) Trading Days prior to the consummation of any Fundamental Transaction. It is expressly understood and agreed that the time of execution specified by the Holder in each Exercise Notice shall be definitive and may not be disputed or challenged by the Company.

8. DISCLOSURE. Upon delivery by the Company to the Holder (or receipt by the Company from the Holder) of any notice in accordance with the terms of this Warrant, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Company or any of its Subsidiaries, the Company shall on or prior to 9:00 am, Toronto city time on the Business Day immediately following such notice delivery date, publicly disclose such material, non-public information either in a press release, on a material change report filed on SEDAR (a “**Material Change Report**”) or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or any of its Subsidiaries, the Company so shall indicate to the Holder explicitly in writing in such notice (or immediately upon receipt of notice from the Holder, as applicable), and in the absence of any such written indication in such notice (or notification from the Company immediately upon receipt of notice from the Holder), the Holder shall be entitled to presume that information contained in the notice does not constitute material, non-public information relating to the Company or any of its Subsidiaries. Nothing contained in this Section 8 shall limit any obligations of the Company, or any rights of the Holder, under Section 4(i) of the Securities Purchase Agreement.

9. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant (other than Section 1(e)) may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the Holder. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

10. SEVERABILITY. If any provision of this Warrant is prohibited by law or otherwise

determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Warrant so long as this Warrant as so modified continues to express, without material change, the original intentions of the parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the parties or the practical realization of the benefits that would otherwise be conferred upon the parties. The parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s).

11. **GOVERNING LAW.** This Warrant shall be governed by and construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the Province of Ontario without giving effect to any choice of law or conflict of law provision or rule (whether of the Province of Ontario or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the Province of Ontario. The Company hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to the Company at the address set forth in Section 9(f) of the Securities Purchase Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS WARRANT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

12. **CONSTRUCTION; HEADINGS.** This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant. Terms used in this Warrant but defined in the other Transaction Documents shall have the meanings ascribed to such terms on the Closing Date (as defined in the Securities Purchase Agreement) in such other Transaction Documents unless otherwise consented to in writing by the Holder.

13. **DISPUTE RESOLUTION.**

(a) **Submission to Dispute Resolution.**

In the case of a dispute relating to the Exercise Price, the Closing Sale Price, the Bid Price or fair market value or the arithmetic calculation of the number of Warrant Shares (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or the Holder (as the case may be) shall submit the dispute to the other party via facsimile (A) if by the Company, within two Business Days after the occurrence of the circumstances giving rise to such dispute or (B) if by the Holder, at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to promptly resolve such dispute relating to such Exercise Price, such Closing Sale Price, such Bid Price or such fair market value or such arithmetic calculation of the number of Warrant Shares (as the case may be), at any time after the second (2nd) Business Day following such initial notice by the Company or the Holder (as the case may be) of such dispute to the Company or the Holder (as the case may be), then the Holder may, at its sole option, select an independent,

reputable investment bank to resolve such dispute.

(i) The Holder and the Company shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 13 and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (Toronto time) by the fifth (5th) Business Day immediately following the date on which the Holder selected such investment bank (the “**Dispute Submission Deadline**”) (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the “**Required Dispute Documentation**”) (it being understood and agreed that if either the Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and the Holder or otherwise requested by such investment bank, neither the Company nor the Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

(ii) The Company and the Holder shall cause such investment bank to determine the resolution of such dispute and notify the Company and the Holder of such resolution no later than ten (10) Business Days immediately following the Dispute Submission Deadline. The fees and expenses of such investment bank shall be borne solely by the Company, and such investment bank’s resolution of such dispute shall be final and binding upon all parties absent manifest error.

14. **REMEDIES, CHARACTERIZATION, OTHER OBLIGATIONS, BREACHES AND INJUNCTIVE RELIEF**. The remedies provided in this Warrant shall be cumulative and in addition to all other remedies available under this Warrant and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the right of the Holder to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Warrant. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, exercises and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holder of this Warrant shall be entitled, in addition to all other available remedies, to specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company’s compliance with the terms and conditions of this Warrant (including, without limitation, compliance with Section 2 hereof). The issuance of shares and certificates for shares as contemplated hereby upon the exercise of this Warrant shall be made without charge to the Holder or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required

to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the Holder or its agent on its behalf.

15. **PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS.** If (a) this Warrant is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Warrant or to enforce the provisions of this Warrant or (b) there occurs any bankruptcy, reorganization, receivership of the company or other proceedings affecting company creditors' rights and involving a claim under this Warrant, then the Company shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements.

16. **TRANSFER.** This Warrant may be offered for sale, sold, transferred or assigned without the consent of the Company, except as may otherwise be required by Section 2(g) of the Securities Purchase Agreement and Warrant Shares shall bear any applicable legend as set forth in Section 5(c) of the Securities Purchase Agreement.

17. **CURRENCY.** As used herein, "\$" and "dollars" shall refer to Canadian Dollars unless otherwise indicated.

18. **CERTAIN DEFINITIONS.** For purposes of this Warrant, the following terms shall have the following meanings:

(a) **"Affiliate"** means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person, it being understood for purposes of this definition that "control" of a Person means the power directly or indirectly either to vote 10% or more of the shares having ordinary voting power for the election of directors of such Person or direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

(b) **"Attribution Parties"** means, collectively, the following Persons and entities: (i) any investment vehicle, including, any funds, feeder funds or managed accounts, currently, or from time to time after the Issuance Date, directly or indirectly managed or advised by the Holder's investment manager or any of its Affiliates or principals, (ii) any direct or indirect Affiliates of the Holder or any of the foregoing, (iii) any Person acting or who could be deemed to be acting jointly or in concert with the Holder or any of the foregoing and (iv) any other Persons whose beneficial ownership or control, whether directly or indirectly, of the Company's Common Shares would or could be aggregated with the Holder's and the other Attribution Parties for purposes of the provisions of the *Securities Act* (Ontario). For clarity, the purpose of the foregoing is to subject collectively the Holder and all other Attribution Parties to the Maximum Percentage.

(c) **"Business Day"** means any day other than Saturday, Sunday or other day on which commercial banks in the Province of Ontario are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in the Province of Ontario generally are open for use by customers on such day.

(d) **“Common Shares”** means common shares in the capital of the Company as constituted as of the date hereof, provided that in the event of a subdivision, redivision, reduction, combination or consolidation thereof or any other adjustment under Section 2 herein, or successive subdivisions, redivisions, reductions, combinations, consolidations or other adjustments, then subject to the adjustments, if any, having been made in accordance with the provisions of this Warrant Certificate, **“Common Shares”** shall thereafter mean the shares, other securities or other property resulting from such subdivision, redivision, reduction, combination or consolidation or other adjustment.

(e) **“Eligible Market”** means the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, the CSE, the NEO Exchange Inc., the Toronto Stock Exchange or the TSX Venture Exchange.

(f) **“Expiration Date”** means the date that is the thirty-six month anniversary of the Issuance Date or, if such date falls on a day other than a Trading Day or on which trading does not take place on the CSE (a **“Holiday”**), the next date that is not a Holiday.

(g) **“Fundamental Transaction”** means (A) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, (i) consolidate or merge with or into (whether or not the Company is the surviving corporation) another Subject Entity, or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company to one or more Subject Entities, or (iii) make, or allow one or more Subject Entities to make, or allow the Company to be subject to or have its Common Shares be subject to or party to one or more Subject Entities making, a purchase, tender or exchange offer that is accepted by the holders of at least either (x) 50% of the outstanding Common Shares, (y) 50% of the outstanding Common Shares calculated as if any Common Shares held by all Subject Entities making or party to, or Affiliated with any Subject Entities making or party to, such purchase, tender or exchange offer were not outstanding, or (z) such number of Common Shares such that all Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such purchase, tender or exchange offer, become collectively the beneficial owners of at least 50% of the outstanding Common Shares, or (iv) consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with one or more Subject Entities whereby all such Subject Entities, individually or in the aggregate, acquire, either (x) at least 50% of the outstanding Common Shares, (y) at least 50% of the outstanding Common Shares calculated as if any Common Shares held by all the Subject Entities making or party to, or Affiliated with any Subject Entity making or party to, such stock or share purchase agreement or other business combination were not outstanding, or (z) such number of Common Shares such that the Subject Entities become collectively the beneficial owners of at least 50% of the outstanding Common Shares, or (v) reorganize, recapitalize or reclassify its Common Shares, (B) that the Company shall, directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, allow any Subject Entity individually or the Subject Entities in the aggregate to be or become the “beneficial owner”, directly or indirectly, whether through acquisition, purchase, assignment, conveyance, tender, tender offer, exchange, reduction in outstanding Common Shares, merger, consolidation, business combination, reorganization, recapitalization, spin-off, scheme of arrangement, reorganization, recapitalization or reclassification or otherwise in any manner whatsoever, of either (x) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Common Shares, (y) at least 50% of the aggregate ordinary voting power represented by issued and outstanding Common Shares not held by all such Subject Entities as of the date of this Warrant calculated as if any Common Shares held by all such Subject Entities were not outstanding, or (z) a percentage of the aggregate ordinary voting power represented by issued and outstanding Common Shares or other equity securities of the Company sufficient to allow such Subject Entities to effect a statutory short form merger or other transaction requiring other

shareholders of the Company to surrender their Common Shares without approval of the shareholders of the Company or (C) directly or indirectly, including through subsidiaries, Affiliates or otherwise, in one or more related transactions, the issuance of or the entering into any other instrument or transaction structured in a manner to circumvent, or that circumvents, the intent of this definition in which case this definition shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this definition to the extent necessary to correct this definition or any portion of this definition which may be defective or inconsistent with the intended treatment of such instrument or transaction.

(h) “**Market Price**” shall have the meaning ascribed to such term in the CSE policies.

(i) “**Note**” has the meaning ascribed to such term in the Securities Purchase Agreement and shall include all notes issued in exchange therefor or replacement thereof.

(j) “**Options**” means any rights, warrants or options to subscribe for or purchase Common Shares or Convertible Securities.

(k) “**Parent Entity**” of a Person means an entity that, directly or indirectly, controls the applicable Person and whose common shares or equivalent equity security is quoted or listed on an Eligible Market, or, if there is more than one such Person or Parent Entity, the Person or Parent Entity with the largest public market capitalization as of the date of consummation of the Fundamental Transaction.

(l) “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(m) “**Subject Entity**” means any Person, Persons or joint actor or any Affiliate or associate of any such Person, Persons or joint actor.

(n) “**Subsidiaries**” means any Person in which the Company, directly or indirectly, (I) owns any of the outstanding share capital or holds any equity or similar interest of such Person and (II) controls or operates all or any part of the business, operations or administration of such Person, and each of the foregoing, is individually referred to herein as a “Subsidiary.”

(o) “**Successor Entity**” means the Person (or, if so elected by the Holder, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (or, if so elected by the Holder, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

(p) “**Trading Day**” means, as applicable, (x) with respect to all price or trading volume determinations relating to the Common Shares, any day on which the Common Shares is traded on the CSE, or, if the CSE is not the principal trading market for the Common Shares, then on the principal securities exchange or securities market on which the Common Shares is then traded, provided that “Trading Day” shall not include any day on which the Common Shares is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Shares is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., Toronto time) unless such day is otherwise designated as a Trading Day in writing by the Holder or (y) with respect to all determinations other than price or trading volume determinations relating to the Common Shares, any day on which the CSE (or any successor thereto) is open for trading of securities.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Common Shares to be duly executed as of the Issuance Date set out above.

NEXTLEAF SOLUTIONS LTD.

By: _____

Name: Paul Pederson

Title: Chief Executive Officer

EXERCISE NOTICE

**TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS
WARRANT TO PURCHASE COMMON SHARES**

TO: NEXTLEAF SOLUTIONS LTD.

The undersigned holder hereby elects to exercise the Warrant Certificate No. _____ (the "**Warrant**") of Nextleaf Solutions Ltd., a corporation incorporated under the laws of the Province of British Columbia, Canada (the "**Company**") as specified below. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Exercise Price; Payment. The Holder intends that payment of the Aggregate Exercise Price shall be made with respect to _____ Common Shares, and the Holder shall pay the Aggregate Exercise Price in the sum of \$ _____ to the Company in accordance with the terms of the Warrant.

2. Maximum Percentage Representation. Pursuant to Section 1(e)(i) of the Warrant, the Company shall not effect the exercise of any portion of a Warrant, and the Holder shall not have the right to exercise any portion of a Warrant, pursuant to the terms and conditions of the Warrant and any such exercise shall be null and void and treated as if never made, to the extent that after giving effect to such exercise, the Holder together with the other Attribution Parties collectively would beneficially own or control, directly or indirectly, in excess of the Maximum Percentage. Notwithstanding anything to the contrary contained herein, the Holder hereby represents and warrants that the Holder, together with the other Attribution Parties, after giving effect to the exercise contemplated herein, will not beneficially own or control, directly or indirectly, a number of Common Shares which exceeds the Maximum Percentage (as defined in Section 1(e)(i) of the Warrant) after giving effect to such exercise. The Holder represents that it has made all reasonable inquiries to ensure that the information provided in this Exercise Notice is true and correct in all respects. **The Holder hereby covenants and agrees that any increase to the number of Common Shares held or controlled, directly or indirectly, by such Holder together with the other Attribution Parties occurring from the time this Exercise Notice is delivered and prior to the Share Issuance shall be reported immediately to the Company.**

3. Delivery of Common Shares. The Company shall deliver to Holder, or its designee or agent as specified below, _____ Common Shares in accordance with the terms of the Warrant. Delivery shall be made to Holder, or for its benefit, as follows:

Check here if requesting delivery of such Common Shares as a certificate pursuant to the following instructions:

Registration Instructions	Address for Delivery	Number of Common Shares
•	•	•
Legends		
[To be included if exercised prior to August 1, 2021]		
"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE AUGUST 1, 2021]."		

Check here if on or after August 1, 2021 and requesting delivery of such Common Shares electronically with The Canadian Depository for Securities in connection with the resale of such Common Shares (or proposed resale within twenty (20) Trading Days of the date hereof) as follows:

Registration: CDS & Co., 85 Richmond Street West, Toronto, ON

CDS Participant:

CUID Number:

Deposit ID:

Contact Name, _____
Phone & Email:

NOTE TO BROKER: DEPOSIT SHOULD BE KEYED INTO CDS AS AN INSTANT DEPOSIT

Date: _____, _____

Name of Registered Holder

By: _____

Name:
Title:

Tax ID: _____

Facsimile: _____

Telephone: _____

E-mail Address: