

## AGENCY AGREEMENT

August 29, 2019

VSBLTY Groupe Technologies Corp.  
Suite 300, 417 North 8<sup>th</sup> Street  
Philadelphia, Pennsylvania  
19123

Attention: Jay Hutton, President and CEO

Dear Sirs:

**Re: Brokered Private Placement**

Echelon Wealth Partners Inc. ("**Echelon**" or the "**Agent**") understands that VSBLTY Groupe Technologies Corp. (the "**Corporation**") proposes to create, offer, issue and sell, in one or more tranches, up to \$3,000,000 principal amount (or such other amount as the Agent and the Corporation may agree) of 10% unsecured convertible debentures in the principal amount of \$1,000 (each, a "**Debenture**" and collectively, the "**Debentures**"), subject to the terms and conditions set out below (the "**Offering**").

The Debentures will bear interest at a rate of 10.0% per annum from the date of their issuance, calculated and payable semi-annually in arrears on June 30 and December 31 of each year. The first interest payment on the Debentures will be made on December 30, 2019 and will consist of interest accrued from and including the applicable Closing Date (as defined herein) to December 30, 2019. The Debentures shall be unsecured subordinated obligations of the Corporation and shall rank *pari passu* in right of payment of principal and interest with all other Debentures issued under the Offering, the Non-Brokered Offering (as defined herein) and the Prior Non-Brokered Offering (as defined herein).

The description of the Debentures herein is a summary only and is subject to the specific attributes and detailed provisions of the Debentures to be set forth in debenture certificates issued by the Corporation (each, a "**Debenture Certificate**" and collectively, the "**Debenture Certificates**"). In the case of any inconsistency between the description of the Debentures in this Agreement and their terms and conditions as set forth in the Debenture Certificates, the provisions of the Debenture Certificates shall govern.

The Debentures will mature on the date that is 24 months after the date on which they were issued (the "**Maturity Date**"). The Debentures are convertible into units (collectively, the "**Units**" and each, a "**Unit**") of the Corporation at the election of the holder, at a conversion price (the "**Conversion Price**") of (i) \$0.35 per Unit, if converted at any time before the date that is one year after their date of issuance, or (ii) \$0.60 per Unit if converted on or after the date that one year after their date of issuance but before the Maturity Date. Each Unit is comprised of one Common Share (as defined herein) (each, a "**Unit Share**" and collectively, the "**Unit Shares**") and one half of one Common Share purchase warrant (each, a "**Warrant**" and collectively, the "**Warrants**").

Each whole Warrant entitles the holder thereof to purchase one Common Share (each, a "**Warrant Share**" and collectively, the "**Warrant Shares**") for a period of 24 months after the date of issuance of the Debentures (the "**Expiry Date**") at a price of \$0.60 per Warrant Share (subject to adjustment in certain circumstances) (the "**Exercise Price**"). The Warrants will be subject to an acceleration right of the Corporation (the "**Warrant Acceleration Right**") if on any ten consecutive trading days beginning on the date that is four months and one day following the applicable Closing Date on which they were issued, the daily volume weighted average price of the Common Shares on the Canadian Securities Exchange (the

"Exchange") (or such other exchange on which the Common Shares are then trading) is greater than \$1.00 per Common Share. If the Corporation exercises the Warrant Acceleration Right, the new expiry date of the Warrants will be the date that is 30 days following the date on which the Corporation issues a news release announcing the accelerated Expiry Date.

The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in warrant certificates issued by the Corporation (each, a "**Warrant Certificate**" and collectively, the "**Warrant Certificates**"), in the form substantially attached as Schedule "C" to the Debenture Certificate. In the case of any inconsistency between the description of the Warrants in this Agreement and their terms and conditions as set forth in the Warrant Certificates, the provisions of the Warrant Certificates shall govern.

The Corporation acknowledges that the Agent will be under no obligation to purchase any of the Debentures. The Agent will be entitled in connection with the Offering to retain other registered securities dealers as sub-agents, (the "**Selling Firms**") and may receive for delivery to the Corporation at the Closing Time (as defined herein) subscriptions for Debentures from Subscribers (as defined herein) from other registered dealers. The fees payable to such Selling Firms will be for the account of the Agent.

Furthermore, the Agent will have the right of first refusal to act as lead agent on certain future financings as more particularly described herein.

The Agent and the Corporation agree that the Corporation may also offer Debentures directly to purchasers in a principal amount of \$1,000 per Debenture by way of non-brokered private placement in the Offering Jurisdictions (as defined herein) and the United States, which is expected to close in one or more tranches (the "**Non-Brokered Placement**"). The Agent undertakes no obligation to the Corporation or to the purchasers under the Non-Brokered Placement, including with respect to the conversion of the Debentures into Common Shares and Warrants or the exercise of the Warrants into Warrant Shares. The Corporation acknowledges and agrees that purchasers under the Non-Brokered Placement do not and will not have any recourse to or any rights against the Agent, and the Agent does not and will not have any liability whatsoever to purchasers under the Non-Brokered Placement or in connection with the conversion of the Debentures into Common Shares and Warrants or the exercise of the Warrants for Warrant Shares.

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

The following are the terms and conditions of this Agreement:

## **1. Definitions**

Where used in this Agreement or in any amendment hereto, the following terms will have the following meanings, respectively:

- (a) "**Acquisition**" means the acquisition of the Subsidiary by the Corporation pursuant to a merger agreement dated December 12, 2018 among the Corporation, the Subsidiary and VSBLTY Merger Co. and the transactions in connection therewith;
- (b) "**Additional Services**" means any services that the Corporation requests the Agent performs other than those set out in this Agreement;
- (c) "**Agent**" has the meaning given to it on the first page of this Agreement;
- (d) "**Agent's Counsel**" means Bennett Jones LLP;

- (e) "**Agreement**" means this Agency Agreement as the same may be amended, supplemental or otherwise modified or restated from time to time;
- (f) "**Alternative Transaction**" means (i) an issuance or sale by the Corporation or any of its respective affiliates, of securities other than those pursuant to the Capital Raising Transaction contemplated herein, not including the Non-Brokered Offering; (ii) a merger, amalgamation, business combination, reorganization, joint-venture or similar transaction involving the Corporation or its shareholders; (iii) the acquisition of the Corporation by way of take-over bid, exchange offer, or similar transaction; or (iv) the direct sale or indirect sale or exchange of all or substantially all of the shares, securities or assets of the Corporation. For purposes of this Agreement, "affiliate" shall have the meaning ascribed to such term in the *Securities Act* (Ontario);
- (g) "**Alternative Transaction Fee**" has the meaning given to in Section 15(a);
- (h) "**Alternative Transaction Period**" has the meaning given to in Section 15(a);
- (i) "**Ancillary Documents**" means, the Transaction Documents and any officers' certificates, notices and other documents executed and delivered, or to be executed and delivered, by the Corporation in connection with Offering, whether pursuant to Applicable Securities Laws or otherwise;
- (j) "**Applicable Laws**" means, in relation to any person or persons, the Applicable Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;
- (k) "**Applicable Securities Laws**" means, collectively, all applicable corporate, securities and other laws, rules, regulations, notices and policies of each of the Offering Jurisdictions, their respective regulations, rulings, rules, orders (including blanket orders and discretionary orders), instruments (including national and multilateral instruments), fee schedules and prescribed forms thereunder, the applicable policy statements issued by the Securities Commissions or similar authority thereunder and the securities legislation of and policies issued by each other relevant jurisdiction and the rules and policies of the Exchange;
- (l) "**Authorizations**" means any current and active regulatory licences, approvals, permits, approvals, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Authority under Applicable Laws;
- (m) "**Broker Share**" and "**Broker Shares**" have the respective meanings given to them in Section 8;
- (n) "**Broker Warrant Certificate**" means the certificate representing the Broker Warrants;
- (o) "**Broker Warrant**" and "**Broker Warrants**" have the respective meanings given to them in Section 8;

- (p) "**Business**" means the business of commercializing various technologies relating to digital display and intelligent analytics, including, without limitation, by combining interactive touch-screens and data capture cameras with cloud and edge-based facial analysis, and all other commercial activities relating thereto;
- (q) "**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Vancouver, British Columbia;
- (r) "**Cash Commission**" has the meaning given to it in Section 8;
- (s) "**CDS**" means CDS Clearing and Depository Services Inc.;
- (t) "**Claims**" has the meaning given to it in Section 12(a);
- (u) "**Closing**" means the closing of the first tranche of the Offering on the First Closing Date or the closing of any subsequent tranche of the Offering on the applicable subsequent Closing Date, as applicable;
- (v) "**Closing Date**" means the First Closing Date or the applicable Subsequent Closing Date, as the context requires;
- (w) "**Closing Time**" means 9:30 a.m. (Vancouver time) on the applicable Closing Date, or such other time on the Closing Date as may be agreed to by the Corporation and the Agent;
- (x) "**Common Shares**" means the common shares in the capital of the Corporation;
- (y) "**Conversion Price**" has the meaning given to it on the second page of this Agreement;
- (z) "**Corporation**" has the meaning given to it on the first page of this Agreement;
- (aa) "**Debenture**" and "**Debentures**" have the meanings given to them on the first page of this Agreement;
- (bb) "**Debenture Certificate**" and "**Debenture Certificates**" has the respective meanings given to them on the first page of this Agreement;
- (cc) "**Disclosure Record**" means the Corporation's prospectuses, annual reports, annual and interim financial statements, annual information form, business acquisition reports, management discussion and analysis of financial condition and results of operations, information circulars, material change reports, press releases and all other information or documents publicly filed or otherwise publicly disseminated by the Corporation since October 25, 2018;
- (dd) "**Due Diligence Sessions**" has the meaning given to it in Section 3(i);
- (ee) "**Echelon**" has the meaning given to it on the first page of this Agreement;
- (ff) "**Exchange**" has the meaning given to it on the second page of this Agreement;
- (gg) "**Exercise Price**" has the meaning given to it on the second page of this Agreement;
- (hh) "**Expiry Date**" has the meaning given to it in Section 8 of this Agreement;

- (ii) "**Final Closing Date**" means the last Closing Date of the Offering;
- (jj) "**Finance Fee Shares**" has the meaning given to it in Section 8 of this Agreement;
- (kk) "**Financial Statements**" means, collectively, the (i) the audited annual consolidated financial statements of the Subsidiary for the years ended December 31, 2018 and 2017; and (ii) the condensed consolidated interim financial statements for the Corporation for the three months ended June 30, 2019 and 2018;
- (ll) "**First Closing Date**" means August 29, 2019 or such earlier or later date as may be agreed to in writing by the Corporation and the Agent, each acting reasonably;
- (mm) "**Governmental Authority**" means and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory, taxing or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;
- (nn) "**Governmental Licences**" has the meaning given to it in Section 5(jjj);
- (oo) "**Government Official**" means (i) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority, (ii) any salaried political party official, elected member of political office or candidate for political office, or (iii) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;
- (pp) "**Hazardous Substances**" has the meaning given to it in Section 5(ddd);
- (qq) "**Indebtedness**" of a person means, without duplication: (i) all debts and liabilities of that person for borrowed money; (ii) all capital leases of that person; (iii) all debts and liabilities of that person representing the deferred acquisition cost of property and services; and (iv) all guarantees given by that person;
- (rr) "**Indemnified Parties**" and "**Indemnified Party**" have the respective meanings given to them in Section 12(a);
- (ss) "**Intellectual Property**" means any and all industrial or intellectual property (whether foreign or domestic, registered or unregistered) owned by the Corporation and the Subsidiary, licensed to the Corporation and the Subsidiary or used in the operation, conduct or maintenance of the Business, as it is currently and has historically been operated, conducted or maintained, including without limitation: (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (ii) all trademarks, trade-names, trade dress, logos, business names, corporate names, domain names, uniform resource locators (URL's) and the internet websites related thereto, and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (iii) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith; (iv) all industrial designs and all applications, registrations and renewals in connection therewith; (v) all proprietary,

technical or confidential information, including all trade secrets, processes, procedures, know-how, show-how, formulae, methods, data, databases and corresponding information contained therein; (vi) all computer software (including all source code, object code and related documentation); together with: (A) all copies and tangible embodiments of the foregoing (in whatever form or medium); (B) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; and (C) all Intellectual Property Rights related to each of the foregoing;

- (tt) "**Intellectual Property Rights**" means any right or protection existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade-secret law, industrial design law, confidential information law (including breach of confidence), trademark law, trade-name law, passing off, unfair competition law or other similar laws, and includes legislation by competent governmental authorities and judicial decisions under common law or equity, and for greater certainty includes the right to file any applications, and the right to claim for the same the priority rights derived from any applications filed under any treaty, convention, or any domestic laws of a country in which a prior application is filed;
- (uu) "**Leased Premises**" has the meaning given to it in Section 5(aaa);
- (vv) "**Lien**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;
- (ww) "**LOI**" has the meaning given to in Section 15(a);
- (xx) "**Losses**" has the meaning given to it in Section 12(a);
- (yy) "**Material Adverse Effect**" means any event, change, fact, or state of being which is materially adverse to the business, affairs, capital, operation, properties, permits, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of the Corporation and the Subsidiary considered on a consolidated basis;
- (zz) "**Material Agreements**" means, collectively: (i) merger agreement dated December 12, 2018 among the Corporation, the Subsidiary and VSBLTY Merger Co., (ii) the escrow agreement dated February 12, 2019 between the Corporation, Odyssey Trust Company and certain shareholders of the Corporation and (ii) any amendments to the foregoing documents;
- (aaa) "**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings given to it under the Applicable Securities Laws of the Offering Jurisdictions;
- (bbb) "**Offered Shares**" means, collectively, the Unit Shares, the Warrant Shares, the Broker Shares and the Finance Fee Shares (if any);
- (ccc) "**Offering**" has the meaning given to it on the first page of this Agreement;

- (ddd) "**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury;
- (eee) "**Offering Jurisdictions**" means, collectively, each of the provinces and territories of Canada and such other jurisdictions consented to by the Corporation and the Agent where Debentures are sold pursuant to the Offering but excluding the United States;
- (fff) "**Qualification**" has the meaning given to it in Section 5(mm);
- (ggg) "**President's List**" means the Subscribers identified on a list provided to the Agent by the Corporation;
- (hhh) "**Prior Non- Brokered Offering**" means the non-brokered private placement of Debentures completed on July 18, 2019;
- (iii) "**Reponses**" has the meaning given to it in Section 3(i);
- (jjj) "**Right of First Refusal**" has the meaning given to it in Section 16;
- (kkk) "**Right of First Refusal Notice**" has the meaning given to it in Section 16;
- (lll) "**Right of First Refusal Period**" has the meaning given to it in Section 16;
- (mmm) "**SEC**" means the United States Securities and Exchange Commission;
- (nnn) "**Securities**" means, collectively, the Debentures, the Units, the Warrants, the Broker Warrants and the Offered Shares;
- (ooo) "**Securities Commission**" means the securities commission or similar regulatory authority in each of the Offering Jurisdictions and "**Securities Commissions**" has a comparable meaning;
- (ppp) "**Selling Firms**" has the meaning given to it on the second page of this Agreement;
- (qqq) "**Software**" has the meaning given to it in Section 5(dd);
- (rrr) "**Standard Listing Conditions**" has the meaning given to it in Section 3(g);
- (sss) "**Stock Option Plan**" means the Corporation's stock option plan dated for reference December 17, 2018;
- (ttt) "**Subscribers**" means the persons who (as purchasers or beneficial purchasers) acquire Debentures by duly completing, executing and delivering Subscription Agreements which are accepted by the Corporation, and permitted assignees or transferees of such persons from time to time;
- (uuu) "**Subscription Agreements**" means, collectively, the subscription agreements in the form agreed upon by the Agent and the Corporation, pursuant to which Subscribers agree to subscribe for and purchase Debentures as herein contemplated and will include, for greater certainty, all schedules thereto;
- (vvv) "**Subsequent Closing Date**" means any date after the First Closing Date on which a

subsequent tranche of the Offering closes (including the Final Closing Date) as may be agreed to in writing by the Corporation and the Agent each acting reasonably;

- (www) "**Subsidiary**" means VSBLTY, Inc., a corporation organized under the laws of Delaware;
- (xxx) "**Survival Limitation Date**" means the fifth anniversary of the Final Closing Date of the Offering;
- (yyy) "**Tax Act**" has the meaning given to it in Section 5(yy);
- (zzz) "**Transaction Documents**" means, collectively, this Agreement, the Subscription Agreements, the Debenture Certificates, the Warrant Certificates and the Broker Warrant Certificate;
- (aaaa) "**Unit**" and "**Units**" have the respective meanings given to them on the second page of this Agreement;
- (bbbb) "**United States**" and "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
- (cccc) "**Warrant Acceleration Right**" has the meaning given to it on the second page of this Agreement;
- (dddd) "**Warrant Agent**" has the meaning given to it on the second page of this Agreement;
- (eeee) "**Warrant Certificate**" and "**Warrant Certificates**" have the respective meaning given to it on the second page of this Agreement; and
- (ffff) "**Warrant Share**" and "**Warrant Shares**" have the respective meanings given to them on the second page of this Agreement.

## 2. The Offering

- (a) The Corporation hereby agrees to secure compliance with all Applicable Securities Laws on a timely basis in connection with the distribution of the Debentures and the Corporation will execute and file with the Securities Commissions all forms, notices and certificates relating to the Offering required to be filed pursuant to the Applicable Securities Laws in the Offering Jurisdictions in the time required by Applicable Securities Laws in the Offering Jurisdictions.
- (b) The Corporation hereby appoints the Agent as exclusive Agent, to offer and sell the Debentures on a commercially reasonable efforts basis and the Agent hereby accepts such appointment. Notwithstanding anything to the contrary contained herein or any oral representations or assurances previously or subsequently made by the parties hereto, this Agreement does not constitute a commitment by, or legally binding obligation of, the Agent or any of its respective affiliates to act as underwriters, initial purchasers, arrangers, and/or placement Agent in connection with any offering of securities of the Corporation, including the Debentures, or to provide or arrange any financing, other than the appointment as Agent in connection with the Offering in accordance with the prior sentence and otherwise on the terms set forth herein. The Agent understands that the Corporation will concurrently issue and sell Debentures to purchasers pursuant to the Non-Brokered



Placement.

- (c) The Corporation understands that the Agent will have the right to and will use commercially reasonable efforts to arrange for the Debentures to be purchased by the Subscribers:
  - (i) in the Offering Jurisdictions on a private placement basis in compliance with Applicable Securities Laws such that the offer and sale of the Debentures does not obligate the Corporation to file a prospectus; and
  - (ii) in such other jurisdictions as consented to by the Corporation on a private placement basis in compliance with all Applicable Securities Laws of such other jurisdictions provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction, no registration or similar requirement would apply with respect to the Corporation in such other jurisdictions and the Corporation does not thereafter become subject to on-going continuous disclosure obligations in such other jurisdictions.
- (d) Neither the Corporation nor the Agent will: (i) provide to any prospective purchasers of Debentures any document or other material that would constitute an offering memorandum within the meaning of Applicable Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Debentures, including any advertisement, article, notice or other communication published in any newspaper, magazine, printed public media, printed media or similar media, or broadcast over radio, television or telecommunications, including electronic display, or any seminar or meeting relating to the offer and sale of the Debentures whose attendees have been invited by general solicitation or advertising.

### **3. Covenants of the Corporation**

The Corporation covenants and agrees with the Agent and the Subscribers, and acknowledges that each of them is relying on such covenants in connection with the purchase by the Subscribers of Units:

- (a) to will comply with all the obligations to be performed by it, and all of its covenants and agreements, under and pursuant to the Transaction Documents;
- (b) to, as soon as reasonably possible, and in any event by the applicable Closing Date, take such reasonable steps as may be necessary to enable the Debentures sold on such Closing Date to be offered for sale and sold on a private placement basis in the Offering Jurisdictions through the Agent or any Selling Firm in any of the Offering Jurisdictions by way of exemptions from the prospectus requirements of Applicable Securities Laws of the Offering Jurisdictions as contemplated hereby;
- (c) that during the period commencing on the date hereof and ending on the Final Closing Date, the Corporation will promptly inform the Agent of the full particulars of:
  - (i) any material change (actual, anticipated or threatened) in its assets, liabilities (absolute, accrued, contingent or otherwise), business, operations, capital or condition (financial or otherwise) of the Corporation or the Subsidiary;
  - (ii) any change in any material fact contained or referred to in the Financial Statements

or the Transaction Documents or any part of the Disclosure Record relating to it or in any information regarding it previously provided to the Agent by it in writing which has not otherwise been disclosed in writing to the Agent;

- (iii) the occurrence of a material fact or event which, in any such case, is, or may be, of such a nature as to: (A) render any of the Financial Statements or any other part of the Disclosure Record untrue, false or misleading in a material respect; (B) result in a misrepresentation in any of the Financial Statements or any other part of the Disclosure Record; or (C) result in any of the Financial Statements or any other part of the Disclosure Record not complying with Applicable Securities Laws in each instance as it applies to it; or
- (iv) the discovery of any misrepresentation in the Financial Statements, or any part of the Disclosure Record relating to it or any information provided to the Agent by it;
- (v) any breach of any covenant of this Agreement or any other Transaction Document, by any party thereto;

provided that if the Corporation is uncertain as to whether a material change, change in any material fact, occurrence or event of the nature referred to in this subsection has occurred, the Corporation will promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and will consult with the Agent as to whether the occurrence is of such nature;

- (d) that during the period commencing on the date hereof and ending on the Final Closing Date, the Corporation will promptly inform the Agent of the full particulars of:
  - (i) any request of any Securities Commission or other securities commission or similar regulatory authority received by it for any amendment to any of the Financial Statements or any other part of the Disclosure Record or for any additional information;
  - (ii) the issuance by any Securities Commission or other securities commission or similar regulatory authority, the Exchange or by any other competent authority of any order to cease or suspend trading of any of its securities or of the institution or threat of institution of any proceedings for that purpose; and
  - (iii) the receipt by it of any communication from any Securities Commission or other securities commission or similar regulatory authority, the Exchange or any other competent authority relating to any of the Financial Statements or any other part of the Disclosure Record or the distribution of any of the Securities, provided such communications would reasonably be considered material to the Agent's understanding or evaluation of the merits or the mechanics of the Offering;
- (e) that it will promptly comply, to the reasonable satisfaction of the Agent and the Agent's Counsel, with Applicable Securities Laws of the Offering Jurisdictions with respect to any material change, change in any material fact, occurrence or event of the nature referred to in Section 4(a) or 4(b) and of which it is aware and it will prepare and file promptly at the Agent's request, acting reasonably, any amendment to any of the Financial Statements or any other part of the Disclosure Record which in the Agent's opinion may be necessary or advisable and the Corporation will consult with the Agent with respect to the form and

content of any amendment to any of the Financial Statements or any other part of the Disclosure Record proposed to be filed by it and will not file any such amendment without the prior review and approval thereof by the Agent, acting reasonably;

- (f) that during the period commencing on the date hereof and ending on the Final Closing Date, it will promptly provide to the Agent, for review by the Agent and the Agent's Counsel, prior to filing or issuance of any proposed disclosure document which is or may be deemed to be part of or become part of the Disclosure Record, including without limitation any press release, financial statement, annual information form, material change report, business acquisition report, information circular or press release;
- (g) that it will use its commercially reasonable efforts to file or cause to be filed with the Exchange all necessary documents and will take or cause to be taken all necessary steps to obtain, prior to the Closing Time, all necessary approvals of the Exchange for the listing of the Offered Shares, subject only to filing of such customary and standard post-closing conditions imposed by the Exchange in similar circumstances (the "**Standard Listing Conditions**") and will comply with all requirements of the Exchange in connection with the issuance and listing of the Offered Shares, including filing of all necessary documentation in accordance with the requirements of the Exchange;
- (h) that all written or oral opinions, advice and materials provided by the Agent to the Corporation in connection with the Offering provided for in this Agreement are intended solely for the benefit and internal use of the Corporation, the Corporation agrees that no such opinion, advice or material will be used for any other purpose or reproduced, disseminated, quoted from or referred to at any time, in any manner or for any purpose, nor will any public reference to the Agent be made by it without the prior written consent of the Agent in each specific instance. The Agent expressly disclaims any liability or responsibility to the Corporation or any affiliate thereof, their respective management and boards of directors, or any other party, including without limitation, any past, present, or future holder of any securities of the Corporation by reason of unauthorized use, publication, distribution or reference to any oral or written opinions or advice or materials provided by the Agent or any unauthorized reference to the Agent or the engagement of the Agent hereunder;
- (i) to allow the Agent, during the period from the date hereof until the Closing Time on the Final Closing Date, to conduct all due diligence which the Agent may reasonably require in order to: (i) confirm the Disclosure Record is accurate, complete and current in all material respects; and (ii) fulfill the Agent's obligations as registrants. Without limiting the generality of the foregoing, the Corporation will make available its directors, and senior management and will use its commercially reasonable efforts to cause its auditors to answer any questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to the Closing Time on each Closing Date (collectively, the "**Due Diligence Sessions**"). The Agent will distribute a list of written questions to be answered in advance of each Due Diligence Session and the Corporation will provide written or oral responses (the "**Responses**") to such questions and will use its commercially reasonable efforts to have its auditors provide written responses to such questions in advance of the Due Diligence Session;
- (j) will file, or cause to be filed, all forms or undertakings required to be filed by the Corporation in connection with the issue and sale of the Debentures (including a Form 45-106F1) so that the distribution of the Debentures to the Subscribers may lawfully occur

without the necessity of filing a prospectus, registration statement or other offering document in Canada or other jurisdictions (but on terms that will permit the Debentures acquired by the Subscribers to be sold by such Subscribers at any time in the Offering Jurisdictions, subject to applicable hold periods under Applicable Securities Laws). All prescribed fees payable in connection with such filings will be at the sole expense of the Corporation;

- (k) that it will, on or prior to each Closing Date, use its commercially reasonable efforts to deliver or cause to be delivered to the Agent and Agent's Counsel:
  - (i) evidence that all necessary approvals of third parties have been received, other than final approval of the Exchange; and
  - (ii) any other documents requested by the Agent, acting reasonably, including evidence of all necessary approvals;
- (l) one or more favourable legal opinion(s) will be delivered to the Agent on or before the each Closing Date in the form set out in Sections 6(a);
- (m) will use its commercially reasonable efforts to remain, and to cause the Subsidiary to remain, a corporation validly subsisting under the laws of its jurisdiction of incorporation, and to be duly licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and to carry on the Business in the ordinary course and in compliance in all material respects with all Applicable Laws, rules and regulations of each such jurisdiction;
- (n) except to the extent that the Corporation participates in a takeover bid, merger, arrangement, amalgamation, liquidation or other similar business combination or sale transaction, will use its commercially reasonable efforts (including, without limitation, making application to the Securities Commissions of each Offering Jurisdiction for all consents, orders and approvals necessary) to (i) maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws of each of the Offering Jurisdictions which have such a concept and will comply with all of its obligations under Applicable Laws until the Survival Limitation Date and (ii) maintain the listing of the Common Shares on the Exchange or such other recognized stock exchange or quotation system as the Agent may approve, acting reasonably, until the Survival Limitation Date;
- (o) will apply the net proceeds from the issue and sale of the Debentures as set forth in the Subscription Agreement;
- (p) will promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Agent may reasonably require from time to time for the purpose of giving effect to the Transaction Documents and the Corporation will use its commercially reasonable efforts to implement to their full extent the provisions, and to satisfy the conditions, of each of the Transaction Documents;
- (q) will not, at any time prior to any Closing of the Offering, halt the trading of the Common Shares on the Exchange without the prior consent of the Agent, except in the normal course prior to the issuance of any material press release or except as otherwise required by any

applicable regulatory authority;

- (r) will make available management of the Corporation for meetings with investors as scheduled by the Agent at the discretion of the Agent upon reasonable notice to the Corporation;
- (s) will fulfil or cause to be fulfilled, at or prior to the Closing Time on each Closing Date, each of the conditions applicable to the Corporation set out in Section 6 that are within its control (unless waived by the Agent);
- (t) will ensure that, at the Closing Time on each Closing Date, the Debentures and the Broker Warrants are duly and validly created, authorized and issued and have attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
- (u) will ensure that, at the Closing Time on the First Closing Date, the Finance Fee Shares, if any, are duly and validly issued as fully paid and non-assessable common shares in the capital of the Corporation;
- (v) will ensure that at all times a sufficient number of Unit Shares, Warrants, Warrant Shares, Broker Warrants and Broker Shares are duly and validly allotted and reserved for issuance upon the respective exercise or conversion of the Debentures, the Warrants and the Broker Warrants, as applicable;
- (w) will ensure that upon conversion of the Debentures and payment of the applicable Conversion Price therefor, the Unit Shares and the Warrants are duly and validly issued as fully paid and non-assessable securities in the capital of the Corporation
- (x) will ensure that, upon exercise of the Warrants and the payment of the Exercise Price therefor, the Warrant Shares are duly and validly issued as fully paid and non-assessable common shares in the capital of the Corporation;
- (y) will ensure that, upon exercise of the Broker Warrants, the Broker Shares are duly and validly issued as fully paid and non-assessable common shares in the capital of the Corporation; and
- (z) that it will use its commercially reasonable best efforts to duly, punctually and faithfully perform all the obligations to be performed by it and all of its covenants and agreements, under and pursuant to the Subscription Agreements.

In addition to the provisions of this Section 3, the Corporation will in good faith discuss with the Agent any circumstance, change, event or fact contemplated in Section 3 which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Agent under this Section 3.

#### **4. Covenants of the Agent**

The Agent agrees that it will, and will require its Selling Firm(s), if any, to agree that such Selling Firm(s) will:

- (a) conduct its activities in connection with the proposed offer and sale of the Debentures in compliance with all Applicable Securities Laws of the Offering Jurisdictions;

- (b) not solicit subscriptions for Debentures, trade in or otherwise do any act in furtherance of a trade of Debentures outside of the Offering Jurisdictions except upon mutual agreement of the Agent and the Corporation and only if such solicitation, trade or act is in compliance with Applicable Securities Laws in such jurisdiction and does not: (i) obligate the Corporation to take any action to qualify any of its securities or any trade of any of its securities; (ii) obligate the Corporation to establish or maintain any office or director or officer in such jurisdiction; (iii) subject the Corporation to any reporting or other requirement in such jurisdiction if it is not already subject to; or (iv) require the Corporation to execute a general consent to services of process or register to do business in such jurisdiction;
- (c) obtain from each Subscriber an executed Subscription Agreement and all applicable forms required under Applicable Securities Laws of the Offering Jurisdictions or requirements of stock exchanges, including the Exchange, and supplied to the Agent by the Corporation for completion in connection with the distribution of the Debentures; and
- (d) not advertise the proposed offering or sale of the Debentures in printed media of general and regular paid circulation, radio or television or telecommunications (including electronic display) nor provide or make available to prospective purchasers of Debentures any document or material which would constitute an offering memorandum as defined under Applicable Securities Laws of the Offering Jurisdictions.

## **5. Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Agent, and acknowledges that the Agent is relying upon such representations and warranties in connection with the Offering, as follows:

- (a) the Corporation: (i) has been duly incorporated, amalgamated, continued or organized and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization, and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct the Business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; and (ii) where required, has been duly qualified as an extra-provincial or foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts any business;
- (b) other than the Subsidiary, the Corporation has no subsidiaries and the Corporation has no investment in any person. The Subsidiary is the only subsidiary of the Corporation, including with respect to the generation of revenues. Except as disclosed in the Disclosure Record, the Corporation is the direct registered and beneficial owner of all of the issued and outstanding shares of the Subsidiary, in each case free and clear of all Liens or adverse interests whatsoever, and no person, firm, corporation or entity has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Corporation or the Subsidiary of any of the shares or other securities of the Subsidiary;
- (c) the Subsidiary: (i) is duly incorporated and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct the Business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; and (ii) where required, has been duly licensed, qualified or registered

as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases property, or conducts any business and is not precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document. All such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits;

- (d) neither the Corporation nor the Subsidiary has been served with or otherwise received notice of any legal, governmental, regulatory or other proceedings or investigations and there are no legal, governmental, regulatory or other proceedings or investigations (whether or not purportedly on behalf of the Corporation or any Governmental Authority) pending to which the Corporation or the Subsidiary is a party or of which any property or assets of the Corporation or the Subsidiary is the subject and, to the best of the Corporation's knowledge, no such proceedings or investigations have been threatened or contemplated by any Governmental Authority or any other parties;
- (e) neither the Corporation nor the Subsidiary owns any real property. Any real property or building held under lease by the Corporation or the Subsidiary, which is material, individually or in the aggregate, to the Corporation or the Subsidiary, is held by it under valid and subsisting leases enforceable against the respective lessors thereof with such exceptions as are not material, individually or in the aggregate, to the Corporation;
- (f) each of the Corporation and the Subsidiary is the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof as described in the Disclosure Record free and clear of all Liens and defects of title except such as are disclosed in the Disclosure Record, and (i) no other material property or assets are necessary for the conduct of the Business as currently conducted, (ii) the Corporation has no knowledge of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation or the Subsidiary to use, transfer or otherwise exploit such property or assets, and (iii) neither the Corporation nor the Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;
- (g) each of the Corporation and the Subsidiary has performed all of the obligations required to be performed by it prior to the date hereof and is entitled to all benefits under, and is not in default or to its knowledge alleged to be in default in respect of, any of the Material Agreements. All Material Agreements are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, or otherwise, would constitute a default under or breach of, by the Corporation, any Subsidiary, or any other person, any material obligation, agreement, covenant or condition contained in any of the Material Agreements. To the Corporation's knowledge, there is no dispute between the Corporation or the Subsidiary and any other party under any of the Material Agreements. Neither the Corporation nor the Subsidiary has received any written notice of a dispute in respect of any of the Material Agreements. None of the Material Agreements contain terms under which the execution or performance of this Agreement or the completion of the Offering would give any other contracting party the right to terminate or adversely change the terms thereof or otherwise require the consent of any other person;
- (h) to the knowledge of the Corporation, the other parties have complied with the terms of the Material Agreements and none of the other parties have breached any of the terms of or

defaulted under any Material Agreements;

- (i) the Corporation has no intention to terminate any of the Material Agreements and to the knowledge of the Corporation none of the other parties has any intention to terminate any of the Material Agreements;
- (j) the terms of the Material Agreements are consistent in all material respects with the descriptions thereof in the Disclosure Record;
- (k) the Material Agreements are the only contracts that are material to the Corporation or the Subsidiary taken as a whole;
- (l) the Financial Statements:
  - (i) have been prepared in accordance with Applicable Securities Laws and International Financial Reporting Standards, applied on a consistent basis throughout the periods referred to therein, except as otherwise disclosed therein;
  - (ii) present fairly, in all material respects, the financial position and condition of the Corporation and the Subsidiary on a consolidated basis as at the dates thereof and the results of its operations and the changes in its shareholder's equity and cash flows for the periods then ended, and do not contain a misrepresentation; and
  - (iii) to the best of the Corporation's knowledge, have been audited (in the case of the annual financial statements comprising the Financial Statements) by independent public accountants within the meaning of Applicable Securities Laws and the rules of the Canadian Institute of Chartered Accountants;
- (m) the accountants who audited the Financial Statements are independent with respect to the Corporation within the meaning of Applicable Securities Laws and there has not been any reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with the current auditors or any former auditors of the Corporation during the past five financial years;
- (n) there are no material liabilities of the Corporation whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Financial Statements, except for liabilities incurred in the ordinary course of business since June 30, 2019, and which liabilities would not, individually or in the aggregate, have a Material Adverse Effect;
- (o) except as disclosed in the Disclosure Record, neither the Corporation nor the Subsidiary has any outstanding bonds, debentures, mortgages, promissory notes or other Indebtedness, is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes or other Indebtedness, and is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or Indebtedness of any person;
- (p) the audit committee's charter and composition complies with National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators;
- (q) except as disclosed in the Disclosure Record, none of the directors, executive officers or



shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding Common Shares or any known associate or affiliate of any such person, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation and the Subsidiary on a consolidated basis;

- (r) each of the Corporation and the Subsidiary has duly and on a timely basis filed all foreign, federal, state, provincial and municipal and all other tax returns required to be filed by it, has paid all taxes due and payable by the Corporation and the Subsidiary, respectively (whether or not shown as owing on such tax returns), and has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines or additions thereto due and payable by it or which are claimed by any Governmental Authority to be due and owing, and has withheld and remitted to the appropriate Governmental Authority any applicable withholding taxes, and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Corporation or by the Subsidiary; there are no actions, suits, proceedings, investigations, audits or other claims pending or, to the best of the Corporation's knowledge, threatened against the Corporation or the Subsidiary in respect of taxes, governmental charges or assessments; and there are no matters under dispute with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority;
- (s) there are no liens for taxes on the assets of the Corporation or the Subsidiary, and, to the best of the Corporation's knowledge, there are no audits pending of the tax returns of the Corporation or the Subsidiary (whether federal, state, provincial, local or foreign) and there are no claims which have been or to the Corporation's knowledge may be asserted relating to any such tax returns;
- (t) the Disclosure Record sets forth a true and complete list of all material Intellectual Property owned or used by the Corporation and the Subsidiary, together with the details of any registrations and applications for registration with respect thereto;
- (u) the registrations and applications for registration listed in the Disclosure Record are valid and subsisting, in good standing, and enforceable against third parties and are recorded, maintained and renewed in the name of the Corporation and/or the Subsidiary, in the appropriate registries or government offices to preserve the rights of the Corporation and/or the Subsidiary, thereof and thereto. To the best of the Corporation's knowledge, there are no facts or issues which currently exist with respect to the any patent applications listed in the Disclosure Record that are likely to result in such applications being rejected by the relevant intellectual property office;
- (v) each of the Corporation and the Subsidiary owns, possesses or has sufficient right, title and interest to the Intellectual Property, necessary for the operation, conduct and maintenance of the Business as such Business is currently and has historically been operated, conducted or maintained and the Offering will not impair, alter or limit in any way such ownership or rights;
- (w) the Corporation and the Subsidiary have taken all reasonable steps to protect: (i) their

respective rights in and to its owned Intellectual Property, in each case in accordance with industry practice; and (ii) the secrecy, confidentiality and value of any confidential elements of the Intellectual Property;

- (x) each of the Corporation and the Subsidiary owns and has the exclusive legal and beneficial right, title and interest in and to the Intellectual Property in its own name, free and clear of any Liens, and none of the Intellectual Property has been licensed from or to a third party. For the avoidance of doubt, neither the Corporation nor the Subsidiary are a party to or bound by any contract that limits or impairs its ability to use, sell, transfer, assign or convey, or that otherwise affects the Intellectual Property;
- (y) all of the persons who either alone or in concert with others, developed, invented, improved, adapted, created, discovered, derived, programmed, designed, modified, updated, corrected or maintained any element or combination of elements in the Intellectual Property owned by the Corporation or the Subsidiary are employees, former employees, officers, former officers, directors, former directors, independent contractors, former independent contractors, partners, former partners, and agents of the Corporation and/or the Subsidiary, all of whom have, or as of Closing will have, executed valid and binding written assignments of any and all rights they may have in any element or combination of elements in any Intellectual Property in a form and substance reasonably satisfactory to the Agent;
- (z) none of the employees, former employees, officers, former officers, directors, former directors, independent contractors, former independent contractors, partners former partners, agents and other agents of the Corporation or the Subsidiary has any moral rights (or other similar rights) which have not been waived in any element or combination of elements of the Intellectual Property;
- (aa) neither the Corporation nor the Subsidiary is a party to any action or proceeding, nor, to the best of the Corporation's knowledge, is or has any action or proceeding been threatened that alleges that any current or proposed conduct of the Business (including, without limitation, use or other exploitation of any Intellectual Property Rights by the Corporation, the Subsidiary or any customers, distributors or other licensees) has or will infringe, violate or misappropriate or otherwise conflict with any Intellectual Property Rights of any person;
- (bb) the conduct of the Business by the Corporation and the Subsidiary (including, without limitation, the sale of their respective products and services, or the use or other exploitation of the Intellectual Property by the Corporation, the Subsidiary or any customers, distributors or other licensees thereof) has not infringed, violated, misappropriated or otherwise conflicted with any Intellectual Property Rights of any person; there is no pending or threatened action, suit, proceeding or claim by others that the Corporation or the Subsidiary infringes or otherwise violates (or would infringe or otherwise violate upon commercialization of the Corporation's or the Subsidiary's products or services under development) any Intellectual Property of others, and the Corporation has no knowledge of any facts which form a reasonable basis for any such claim;
- (cc) no element of the Intellectual Property has been developed with the assistance or use of any funding from third parties or third party agencies, including funding from any Governmental Authority, where the Intellectual Property Rights arising from such development have not been assigned to the Corporation or the Subsidiary. Neither the Corporation nor the Subsidiary is or has ever been a member or promoter of, or a

contributor to, any industry standards body or similar organization that could compel the Corporation or the Subsidiary to grant or offer to any third party any license or right to the Intellectual Property or any element thereof;

- (dd) the Disclosure Record contains a complete list of any computer program, operating system, application, system, firmware or software of any nature, whether operational, active, under development or design, non-operational or inactive, including all object code, source code (collectively, "**Software**") owned by, licensed to or used by the Corporation or the Subsidiary, identifying whether such Software is (i) owned by the Corporation or the Subsidiary; (ii) customized for the Corporation or the Subsidiary, the object code and source code of which are licensed for use by the Corporation or the Subsidiary; (iii) customized for the Corporation or the Subsidiary, only the object code of which is licensed to the Corporation or the Subsidiary; or (iv) off-the-shelf Software. The Software does not contain any undisclosed program routine, device or other feature, including viruses, worms, bugs, time locks, Trojan horses or back doors, in each case that is designed to delete, disable, deactivate, interfere with or otherwise harm such Software, and any virus or other intentionally created, undocumented contaminant that may, or may be used to, access, modify, delete, damage or disable any hardware, system or data;
- (ee) each of the Corporation and the Subsidiary has in its possession copies of all source code for all Software owned by the Corporation or the Subsidiary, as applicable. Such source code is fully documented in a manner that a reasonably skilled programmer could understand, modify, compile and otherwise utilize all aspects of the related computer programs without reference to other sources of information. All copies of any Software forming part of the Intellectual Property owned by the Corporation or the Subsidiary have been distributed solely in object code form. There has been no disclosure of such programs other than through licensing of object code versions, and no person has the right, actual or contingent, to use or access any source code of the Corporation or the Subsidiary. Each object code copy so distributed is the subject of a valid, existing and enforceable license agreement;
- (ff) except as disclosed in the Disclosure Record, none of the Software owned by, licensed to or used by the Corporation or the Subsidiary contains any open source, "copyleft" or community source code, including any libraries or code licensed under the "General Public License", "Lesser General Public License" or any other license agreement or arrangement obliging the Corporation or the Subsidiary, as applicable, to make source code publicly available, whether or not approved by the "Open Source Initiative";
- (gg) the Acquisition was completed in accordance with Applicable Laws and the policies, rules and regulations of the Exchange, and all approvals, permits, consents, orders or other Authorizations required under Applicable Laws to permit the Acquisition were obtained by the Corporation and the Subsidiary;
- (hh) the Corporation is a reporting issuer not in default under the Applicable Securities Laws of each Offering Jurisdiction where it is a reporting issuer and is not on the list of defaulting issuers maintained by any Securities Commission in the Offering Jurisdiction as at the date hereof;
- (ii) the Corporation is in compliance in all material respects with its timely and continuous disclosure obligations under the Applicable Securities Laws of each of the Offering Jurisdictions and the policies, rules and regulations of the Exchange and without limiting

the generality of the foregoing, there has not occurred any material change (actual, anticipated, contemplated or threatened) in the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, assets, properties, condition (financial or otherwise), results of operations or control of the Corporation and the Subsidiary taken as a whole since January 1, 2017 which has not been set forth in the Disclosure Record or otherwise publicly disclosed on a non-confidential basis, and the Corporation has not filed any confidential material change reports since January 1, 2017 which remains confidential as at the date hereof. To the knowledge of the Corporation, no trades in the Corporation's securities have been made by persons having knowledge of material non-public information regarding the Corporation;

- (jj) to the best of the Corporation's knowledge, no agreement among or involving insiders of the Corporation is in force or effect which in any manner affects the voting or control of any of the securities of the Corporation or the Subsidiary;
- (kk) the Corporation is authorized to issue an unlimited number of Common Shares, of which 77,529,872 Common Shares were issued and outstanding as of the date hereof, and all such issued Common Shares are validly issued and outstanding, and no person, firm or corporation has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option or privilege (whether pre-emptive or contractual), for the issue or allotment of any unissued shares in the capital of the Corporation or the Subsidiary or any other security convertible into or exchangeable for any such shares, or to require the Corporation or the Subsidiary to purchase, redeem or otherwise acquire any of the outstanding securities in the capital of the Corporation or the Subsidiary, except for: (i) 5,730,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.30 per Common Share until five years from the date of grant; (ii) 25,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.50 per Common Share until three years from the date of grant; (iii) 300,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.325 per Common Share until three years from the date of grant; (iv) 200,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.60 per Common Share until three years from the date of grant; (v) 75,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.41 per Common Share until three years from the date of grant; (vi) 6,407,087 common share purchase warrants each of which is exercisable into one Common Share at an exercise price of \$0.40 per Common Share until February 27, 2020; (vii) 752,426 common share purchase warrants each of which is exercisable into one Common Share at an exercise price of \$0.40 per Common Share until October 17, 2019; (viii) up to 3,000,000 performance shares issuable to certain officers and senior management of the Corporation; and (ix), \$745,500 in aggregate principal amount of Debentures issued pursuant to the Prior Non-Brokered Offering, convertible into Units at any time before July 18, 2021; and except as otherwise disclosed in the Disclosure Record or pursuant to agreements described in the Disclosure Record and pursuant to the Units and the Broker Warrants;
- (ll) the Stock Option Plan disclosed in the Disclosure Record is the current stock option plan of the Corporation and has not been amended, varied or modified;

- (mm) the execution and delivery of each of the Transaction Documents and the performance of the transactions contemplated hereby and thereby (including the issuance, sale and delivery of the Debentures to be issued and sold by the Corporation at each Closing Time, the issuance, sale and delivery of the Unit Shares and Warrants comprising the Units upon conversion of the Debentures, the issuance, sale and delivery of the Warrant Shares upon exercise of the Warrants, the issuance, sale and delivery of the Broker Warrants, the issuance, sale and delivery of the Broker Shares upon exercise of the Broker Warrants and the issuance, sale and delivery of the Finance Fee Shares, if any, have been duly authorized by all necessary corporate action of the Corporation and each of the Transaction Documents has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, provided that enforcement hereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction and that the provisions relating to indemnity, contribution, severability and waiver of contribution may be limited under Applicable Law (the "**Qualification**");
- (nn) the execution and delivery of each of the Transaction Documents and the performance of the transactions contemplated hereby and thereby by the Corporation (including the issuance, sale and delivery of the Debentures to be issued and sold by the Corporation at each Closing Time, the issuance, sale and delivery of the Unit Shares and Warrants comprising the Units, the issuance, sale and delivery of the Warrant Shares upon exercise of the Warrants, the issuance, sale and delivery of the Broker Warrants, the issuance, sale and delivery of the Broker Shares upon exercise of the Broker Warrants and the issuance sale and delivery of the Finance Fee Shares, if any, do not and will not:
- (i) require the consent, approval, Authorization, registration or qualification of or with any Governmental Authority, stock exchange, Securities Commission or other third party, except such as have been obtained or such as may be required (and where required prior to Closing will be obtained by the Corporation prior to the applicable Closing Time) under Applicable Securities Laws or stock exchange regulations; or
  - (ii) result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:
    - (A) any of the terms, conditions or provisions of the notice of articles, articles, by laws or resolutions of the shareholders, directors or any committee of directors of the Corporation or the Subsidiary or any material indenture, agreement or instrument to which the Corporation or the Subsidiary is a party or by which it or they are contractually bound; or
    - (B) any statute, rule, regulation or law applicable to the Corporation or the Subsidiary, including, without limitation, the Applicable Securities Laws, or any judgment, order or decree of any Governmental Authority or court having jurisdiction over the Corporation; or
  - (iii) result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with any material indenture, agreement or

instrument to which the Corporation or the Subsidiary is a party, nor give a party the right to terminate any such indenture, agreement or instrument by virtue of the application of terms, provisions or conditions in such indenture, agreement or instrument, in each case except where such breach or default would not constitute a Material Adverse Effect;

- (oo) the Debentures have been duly created and authorized for issuance and, upon issuance, will be duly and validly issued and outstanding as fully paid securities of the Corporation. The Corporation has the corporate power, capacity and authority to issue and sell the Debentures and the Debentures will not be issued in violation or, or subject to, any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (pp) the Unit Shares and the Warrants comprising the Units have been duly created, authorized, reserved and allotted for issuance and, upon conversion of the Debentures and payment of the Conversion Price will be duly and validly issued and outstanding as fully paid securities of the Corporation. The Corporation has the corporate power, capacity and authority to issue and sell the Unit Shares and the Warrants and, at the time of issuance thereof, the Unit Shares and the Warrants will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (qq) the Warrant Shares have been duly created, authorized, reserved and allotted for issuance, and, upon the exercise of the Warrants and payment of the Exercise Price will be duly and validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation. The Corporation has the corporate power, capacity and authority to issue the Warrant Shares and, at the time of issuance thereof, the Warrant Shares will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (rr) the Broker Warrants have been duly created and authorized for issuance and, upon issuance, will be validly issued and outstanding as fully paid securities of the Corporation. The Corporation has the corporate power, capacity and authority to issue and sell the Broker Warrants and the Broker Warrants will not be issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (ss) the Broker Shares have been duly created, authorized, reserved and allotted for issuance, and, upon the exercise of the Broker Warrants and payment of the exercise price therefor, the Broker Shares will be duly and validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation. The Corporation has the corporate power, capacity and authority to issue the Broker Shares and, at the time of issuance thereof, the Broker Shares will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (tt) the Finance Fee Shares, if any, , upon issuance, will be duly and validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation. The Corporation has the corporate power, capacity and authority to issue the Finance Fee Shares and the Finance Fee Shares will not be issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;

- (uu) there is no legislation or governmental regulation which materially and adversely affects the Business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, assets, properties, condition (financial or otherwise) or results of operations of the Corporation or the Subsidiary;
- (vv) no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares, any of the Units, the Broker Warrants, the Warrants, the Offered Shares, or any other security of the Corporation has been issued or made by any Securities Commission or stock exchange or any other regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the best of the Corporation's knowledge, contemplated or threatened by any such authority or under any Applicable Securities Laws;
- (ww) except for the Agent as provided herein, there is no person, firm or corporation acting for the Corporation entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder;
- (xx) each of the documents forming the Disclosure Record filed since October 25, 2018 by or on behalf of the Corporation with any Securities Commission or the Exchange, did not contain a misrepresentation, determined as at the date of filing, which has not been corrected by the filing of a subsequent document which forms part of the Disclosure Record;
- (yy) based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (together, the "**Tax Act**") in force on the date hereof and specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and subject to the provisions of any particular plan, the Unit Shares, the Warrants and the Warrant Shares would, if issued on the date hereof, constitute qualified investments for the purposes of the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan or a tax-free savings accounts, each as defined in the Tax Act, provided that at that time:
  - (i) in the case of the Warrants, the Warrant Shares are listed on a on a designated stock exchange in Canada (which includes the Exchange) or the Corporation is otherwise a "public corporation" for the purposes of the Tax Act and neither the Corporation nor any person with whom the Corporation does not deal at arm's length is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the applicable plan; and
  - (ii) in the case of the Unit Shares or the Warrant Shares, as applicable, the Unit Shares or the Warrant Shares, as the case may be, are listed on a on a designated stock exchange in Canada (which includes the Exchange) or the Corporation is otherwise a "public corporation" for the purposes of the Tax Act.
- (zz) the minute books and records of the Corporation and the Subsidiary made available to the Agent's Counsel in connection with its due diligence investigation of the Corporation for the periods from incorporation to the date of examination thereof are all of the minute books and records of the Corporation or the Subsidiary, as applicable, and contain copies of and reflect the contents of all proceedings and meetings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of

the Corporation or the Subsidiary, as applicable, to the date of review of such corporate records and minute books;

- (aaa) with respect to each premises which is material to the Corporation or the Subsidiary and which the Corporation or the Subsidiary occupies as tenant (the "**Leased Premises**"), the Corporation or the Subsidiary (as applicable) occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and neither the Corporation nor the Subsidiary is in breach or violation of or in default under any of the leases pursuant to which the Corporation or the Subsidiary (as applicable) occupies the Leased Premises and to the best of the Corporation's knowledge, such leases are in good standing and in full force and effect;
- (bbb) no material labour dispute with current and former employees of the Corporation or the Subsidiary exists or is imminent and the Corporation has no knowledge of any existing, threatened or imminent labour disturbance by the employees of the Corporation or the Subsidiary;
- (ccc) except as disclosed in the Disclosure Record, the Corporation and the Subsidiary are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged, and the Corporation has no reason to believe that it will not be able to renew the existing insurance coverage of the Corporation and the Subsidiary as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue the Business at a cost that would not, individually or in the aggregate, have a Material Adverse Effect;
- (ddd) except in compliance with Applicable Laws, neither the Corporation nor the Subsidiary has used any of its property or facilities to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances ("**Hazardous Substances**"); except in compliance with Applicable Laws, neither the Corporation nor the Subsidiary has caused or permitted the release, in any manner whatsoever, of any Hazardous Substances on or from any of its properties or assets or any such release on or from a facility owned or operated by third parties but with respect to which the Corporation or the Subsidiary is or may reasonably be alleged to have material liability or has received any notice that it is potentially responsible for a federal, provincial, municipal or local clean-up site or corrective action under any Applicable Laws, statutes, ordinances, by-laws, regulations or any orders, directions or decisions rendered by any ministry, department or administrative regulatory agency relating to the Environmental Laws (as defined below) or otherwise relating to or dealing with Hazardous Substances;
- (eee) to the best of the Corporation's knowledge, after due inquiry, each of the Corporation and the Subsidiary: (i) are in material compliance with any and all applicable foreign, federal, provincial, state and local laws and regulations relating to the protection of human health and safety, the environment or Hazardous Substances ("**Environmental Laws**"); (ii) have received all material permits, licenses or other approvals required of any of them under applicable Environmental Laws to conduct the Business as presently conducted; and (iii) are in material compliance with all terms and conditions of any such permit, license or approval;
- (fff) neither the Corporation nor the Subsidiary has or maintains any benefit, insurance,



retirement savings or other similar plan for employees or former employees of the Corporation or the Subsidiary;

- (ggg) the forms and terms of the certificates representing the Common Shares have been approved and adopted by the board of directors of the Corporation and the form and terms of the certificate representing the Common Shares do not and will not conflict with any Applicable Laws or the rules of the Exchange;
- (hhh) the forms and terms of the Debenture Certificates and the Warrant Certificates have been approved and adopted by the board of directors of the Corporation and the form and terms of the Debenture Certificates and the Warrant Certificates do not and will not conflict with any Applicable Laws or the rules of the Exchange;
- (iii) the forms and terms of the certificates representing the Broker Warrants have been approved and adopted by the board of directors of the Corporation do not and will not conflict with any Applicable Laws;
- (jjj) Odyssey Trust Corporation, at its principal offices in Vancouver, British Columbia has been duly appointed as the registrar and transfer agent for the Common Shares;
- (kkk) the Business and material property and assets of the Corporation and the Subsidiary conform in all material respects to the descriptions thereof contained in the Disclosure Record;
- (lll) (i) each of the Corporation and the Subsidiary possesses such permits, certificates, licences, approvals, registrations, qualifications, consents and other Authorizations, (collectively, "**Governmental Licences**"), issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to conduct the Business now operated by it in all jurisdictions in which it carries on business, that are material to the conduct of the Business (as such business is currently conducted); (ii) the Corporation and the Subsidiary is in material compliance with the terms and conditions of all such Governmental Licences; (iii) all of such Governmental Licences are in good standing, valid and in full force and effect; (iv) neither the Corporation nor the Subsidiary has received any notice of proceedings relating to the revocation, suspension, termination or modification of any such Governmental Licences; (v) neither the Corporation nor the Subsidiary is in material default with respect to filings to be effected or conditions to be fulfilled in order to maintain such Governmental Licences in good standing; (vi) none of such Governmental Licences contains any term, provision, condition or limitation which has or would reasonably be expected to affect or restrict in any material respect the operations or the Business as now carried on or proposed to be carried on;
- (mmm) all forward-looking information and statements of the Corporation contained in the Disclosure Record, including any forecasts and estimates, expressions of opinion, intention and expectation have been based on assumptions that are reasonable in the circumstances, and the Corporation has updated such forward-looking information and statements as required by and in compliance with Applicable Securities Laws;
- (nnn) the statistical, industry and market related data included in the Disclosure Record are derived from sources which the Corporation reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;

- (ooo) all information which has been prepared by the Corporation relating to the Corporation or the Subsidiary and the Business, property and liabilities thereof and provided or made available to the Agent, and all financial, marketing, sales and operational information provided to the Agent is, as of the date of such information, true and correct in all material respects, taken as whole, and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (ppp) (i) the Responses given by the Corporation and its officers at all Due Diligence Sessions conducted by the Agent in connection with the Offering, as they relate to matters of fact, have been and will continue to be true and correct in all material respects as at the time such Responses have been or are given, as the case may be, and such Responses taken as a whole have not and will not omit any fact or information necessary to make any of the Responses not misleading in light of the circumstances in which such Responses were given or will be given, as the case may be; and (ii) where the Responses reflect the opinion or view of the Corporation or its officers (including Responses or portions of such Responses which are forward-looking or otherwise relate to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable at the time they are given;
- (qqq) the Corporation is not insolvent (within the meaning of Applicable Laws), is able to pay its liabilities as they become due and has sufficient working capital to fund its operations for 12 months following the Closing Date;
- (rrr) the Corporation has not withheld from the Agent any adverse material facts relating to the Corporation, the Subsidiary or the Offering;
- (sss) to the best of the Corporation's knowledge, except as disclosed in the Disclosure Record, no person or group of persons who are "joint actors" (within the meaning of Applicable Securities Laws) legally or beneficially owns, or has control or direction over, 10% or more of the outstanding Common Shares;
- (ttt) there is no person or persons who are "promoter(s)" (within the meaning of Applicable Securities Laws) of the Corporation;
- (uuu) to the best of the Corporation's knowledge, the Corporation has not sold or issued its securities to any persons who had knowledge of material non-public information regarding the Corporation;
- (vvv) neither the Corporation nor the Subsidiary has, nor, to the best of the Corporation's knowledge, has any director, officer, employee, consultant, representative or agent thereof: (i) violated any anti-bribery or anti-corruption laws applicable to the Corporation or the Subsidiary, including but not limited to the *United States Foreign Corrupt Practices Act of 1977* and *Corruption of Foreign Public Officials Act (Canada)*; (ii) 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, that goes beyond what is reasonable and customary and/or of modest value to any Government Official, whether directly or through any other person, for the purpose of: (A) influencing any act or decision of a Government Official in his or her official capacity; (B) inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; (C) securing any improper advantage; (D) inducing a Government Official to influence or affect any act or decision

of any Governmental Authority; or (E) assisting any representative of the Corporation or the Subsidiary in obtaining or retaining business for or with, or directing business to, any person;

- (www) the operations of the Corporation and the Subsidiary are, and, to the best of the Corporation's knowledge, have been conducted at all times, in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**"), as applicable, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;
- (xxx) the Corporation and the Subsidiary have not been and are not currently subject to, nor to the best of the Corporation's knowledge, has any director, officer, agent, employee, affiliate or Person acting on behalf of the Corporation or the Subsidiary been or is currently subject to any United States sanctions administered by the OFAC; and the Corporation will not directly or indirectly use any proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to the Corporation or to any affiliated entity, joint venture partner or other Person, to finance any investments in, or make any payments to, any country or Person targeted by any of the sanctions of the United States administered by OFAC;
- (yyy) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Subsidiary which are required to be disclosed and are not disclosed or reflected in the Financial Statements;
- (zzz) The Corporation and the Subsidiary has made back-ups of all material software and databases used by it and maintains such back-ups at a secure off-site location. The Corporation and the Subsidiary have taken all reasonable steps (i) to maintain the integrity and security of its systems and network infrastructure in connection with their Business, and (ii) to protect the information technology and communication systems used in connection with their Business from contamination, corruption, computer viruses, firewall breaches, sabotage, hacking or other software routines or hardware components that would permit unauthorized access or the unauthorized disablement, theft or erasure of its information technology or communication systems or software. The Corporation and the Subsidiary have disaster recovery and security plans and procedures in place and there have been no material unauthorized intrusions into, breaches of the security of, or unauthorized disablement, theft or erasure of, the information technology, communication systems or software used in connection with their Business; and
- (aaaa) Each of the Corporation and the Subsidiary have security measures and safeguards in place to protect personal information it collects from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Corporation and the Subsidiary have complied, in all material respects, with all applicable privacy and consumer protection legislation and neither has collected, received, stored, disclosed, transferred, used, misused

or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation and the Subsidiary have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse.

It is further agreed by the Corporation that all representations and warranties contained in this Section 5 made by the Corporation to the Agent will also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto for such purpose.

## **6. Conditions of Closing**

The obligation of the Agent hereunder and of the Subscribers to purchase the Debentures at the Closing Time on each Closing Date will be subject to the following:

- (a) the Agent will receive at the Closing Time a legal opinion addressed to the Agent and Agent's Counsel dated and delivered the Closing Date from the Corporation's counsel, McMillan LLP, and from local counsel (in respect of matters governed by laws of the Offering Jurisdiction where the Corporation's counsel is not qualified to practice), in each case in form and substance satisfactory to the Agent and Agent's Counsel, acting reasonably, with respect to the following matters:
  - (i) each of the Corporation and the Subsidiary is incorporated and validly existing under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, as the case may be, and has all requisite corporate power and capacity to carry on the Business as now conducted and to own, lease and operate its property and assets;
  - (ii) as to the authorized and issued capital of the Corporation and the Subsidiary, and with respect to the Subsidiary the ownership thereof;
  - (iii) the Debentures have been duly and validly created, authorized and issued and are outstanding as fully paid securities of the Corporation;
  - (iv) the Unit Shares comprising the Units have been validly allotted and reserved for issuance and, upon the issue thereof upon conversion of the Debentures in accordance with the terms of the Debenture Certificates will be validly issued and outstanding as fully paid and non-assessable common shares in the capital of the Corporation;
  - (v) the Warrants comprising the Units have been validly authorized, created and reserved for issuance and, upon the issue thereof upon conversion of the Debentures in accordance with the terms of the Debenture Certificates will be validly issued and outstanding as fully paid and non-assessable securities in the capital of the Corporation;
  - (vi) the Warrant Shares underlying the Warrants have been validly allotted and reserved for issuance and, upon the issue thereof upon the exercise of the Warrants in accordance with the terms of the Warrant Certificate will be validly issued and outstanding as fully paid and non-assessable common shares in the capital of the Corporation;

- (vii) the Broker Warrants have been validly created, authorized and issued as fully paid securities of the Corporation;
- (viii) the Broker Shares underlying the Broker Warrants have been validly allotted and reserved for issuance and, upon the issue thereof upon the exercise of the Broker Warrants in accordance with the terms of the Broker Warrant Certificate, will be validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation;
- (ix) the Finance Fee Shares, if any, have been validly issued as fully paid and non-assessable common shares of the Corporation;
- (x) the form and terms of the (i) definitive certificate representing the Common Shares (ii) the Debenture Certificates and (iii) the Warrant Certificates have been approved by the directors of the Corporation and comply in all material respects with the rules of the Exchange and the *Business Corporations Act* (British Columbia);
- (xi) the Corporation has all necessary corporate power and capacity: (i) to execute and deliver the Transaction Documents and perform its obligations thereunder; (ii) to create, offer, issue and sell the Debentures; (iii) to create and reserve for issuance the Warrants upon conversion of the Debentures; (iv) to allot and reserve for issuance the Unit Shares upon conversion of the Debentures; (v) to create, offer, issue and sell the Broker Warrants; (vi) to allot and reserve for issuance the Warrant Shares and the Broker Shares issuable upon conversion or exercise, as applicable, of the Warrants and Broker Warrants; and (vii) to offer, issue and sell the Finance Fee Shares, if any;
- (xii) the Corporation has taken all necessary corporate action to authorize the execution and delivery of the Transaction Documents and the performance of its obligations under the Transaction Documents, including the creation, offering, issue, sale and delivery of the Debentures and the Broker Warrants; the creation, allotment, reservation for issuance and issue of the Unit Shares and the Warrants upon conversion of the Debenture; the creation, allotment, reservation for issuance and issue of the Warrant Shares and the Broker Shares issuable upon exercise of the Warrants and the Broker Warrants, respectively; and the creation, offering, issue and sale of the Finance Fee Shares, if any;
- (xiii) each of the Transaction Documents constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to the Qualification;
- (xiv) the execution and delivery of the Transaction Documents and the fulfillment of the terms thereof, the creation, offer, issue and sale of the Debentures, the creation, offer, issue and sale of the Unit Shares and the Warrants upon conversion of the Debentures and payment of the Conversion Price therefor, the creation, offer, issue and sale of the Warrant Shares upon the exercise of the Warrants and payment of the Exercise Price therefor, the creation, offer, issue and sale of the Broker Warrants, the creation, offer, issue and sale of the Broker Shares upon the exercise of the Broker Warrants, the creation, offer, issue and sale of the Finance Fee Shares, if any, and the consummation of the transactions contemplated by the

Transaction Documents, do not conflict with or result in a breach of (whether after notice or lapse of time or both) or constitute a default under any of the terms, conditions or provisions of the notice of articles or articles of the Corporation or resolutions of the shareholders or the board of directors (or any committee thereof) of the Corporation or any laws of the Province of British Columbia or federal laws of Canada applicable therein;

- (xv) Odyssey Trust Corporation is the duly appointed registrar and transfer agent for the Common Shares;
- (xvi) the issuance and sale by the Corporation of the Debentures to the Subscribers in the Offering Jurisdictions in accordance with the Subscription Agreements is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed (other than specified forms accompanied by requisite filing fees), no proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance and sale;
- (xvii) the issuance and sale of the Unit Shares and the Warrants to holders of the Debentures pursuant to and in accordance with the terms of the Debenture Certificates, is exempt from prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents, order or Authorization obtained under the Applicable Securities Laws to permit such issuance;
- (xviii) the issuance and sale of the Warrant Shares to holders of Warrants pursuant to and in accordance with the terms of the Warrant Certificate, is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance;
- (xix) the issuance and sale by the Corporation of the Broker Warrants to the Agent is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed (other than specified forms accompanied by requisite filing fees), no proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance and sale;
- (xx) the issuance of the Broker Shares upon the exercise of the Broker Warrants is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance;
- (xxi) the issuance and sale by the Corporation of the Finance Fee Shares, if any, to the Agent is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed (other than specified forms accompanied by requisite filing fees), no proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance and sale;

- (xxii) that no other documents will be required to be filed, proceedings taken or approvals, permits, consents or Authorizations obtained under the Applicable Securities Laws in connection with the first trade of the Unit Shares, the Warrants, the Warrant Shares, the Broker Warrants or the Broker Shares provided that four months and one day have lapsed since the Closing Date, subject to the usual qualifications;
- (xxiii) for the purposes of the Tax Act, as in force on the date hereof and including all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Unit Shares, the Warrants, and the Warrant Shares will be qualified investments, if issued at the Closing Time, for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act;
- (xxiv) the Corporation is a "reporting issuer", or its equivalent, in the provinces of British Columbia, Alberta, Saskatchewan and Ontario, and it is not listed as in default of any requirement of the Applicable Securities Laws in any of such provinces which maintain such a list; and
- (xxv) as to all other legal matters reasonably requested by Agent's Counsel prior to the Closing Time.

In connection with such opinions, counsel to the Corporation may rely on the opinions of local counsel in the Offering Jurisdictions acceptable to Agent's Counsel, acting reasonably, as to the distribution of securities contemplated by this Section 6(a) or opinions may be given directly by local counsel of the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province or provinces in which the Corporation's Canadian counsel are qualified to practice and may rely, to the extent appropriate in the circumstances and only as to matters of fact, on certificates of officers of the Corporation and others;

- (b) the Agent will have received a certificate dated the Closing Date addressed to the Agent and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation or such other senior officer(s) of the Corporation as may be acceptable to the Agent, in form and content satisfactory to Agent's Counsel, acting reasonably, with respect to:
  - (i) the notice of articles and articles of the Corporation;
  - (ii) the resolutions of the Corporation's board of directors relevant to the creation, offer, issue and sale of the Debentures, the Warrants, the Broker Warrants and the Offered Shares and the authorization of this Agreement and the other Transaction Documents; and
  - (iii) the incumbency and signatures of signing officers of the Corporation;
- (c) the Agent will have received certificates dated the Closing Date addressed to the Agent and signed by the Chief Executive Officer of the Corporation and the Chief Financial Officer of the Corporation, or such other senior officer(s) of the Corporation as may be acceptable to the Agent, in form and content satisfactory to Agent's Counsel, acting

reasonably, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries, to the effect that:

- (i) the Corporation has complied in all material respects with all the covenants and satisfied all the terms and conditions of this Agreement and the other Transaction Documents on its part to be complied with and satisfied at or prior to the Closing Time;
  - (ii) the representations and warranties of the Corporation contained herein are true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as at the Closing Time with the same force and effect as if made on and as at the Closing Time after giving effect to the transactions contemplated hereby;
  - (iii) no order, ruling or determination having the effect of ceasing the trading of the Common Shares or suspending the offering or sale of the Debentures or any of the Corporation's other securities has been issued and no proceedings for such purpose have been instituted or, to the knowledge of such persons, are pending, contemplated or threatened;
  - (iv) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Disclosure Record which fact or change is, or may be, of such a nature as to render any statement in the Disclosure Record misleading or untrue in any material respect or which would result in a misrepresentation in the Disclosure Record or which would result in the Disclosure Record not complying with Applicable Securities Laws; and
  - (v) such other matters as the Agent may reasonably request prior to the Closing Time;
- (d) the Agent will have received (i) a Subscription Agreement from each Subscriber accepted by the Corporation; (ii) the Debenture Certificates; and (iii) the Warrant Certificates, each in a form acceptable to the Agent and Agent's Counsel, acting reasonably, executed by the Corporation;
  - (e) the representations and warranties of the Corporation contained in this Agreement will be true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) at and as of the Closing Time on each Closing Date, as if such representations and warranties were made at and as of such time and all agreements, covenants and conditions required by this Agreement to be performed, complied with or satisfied by the Corporation will have been performed, complied with or satisfied prior to that time;
  - (f) the absence of any misrepresentations in the Disclosure Record or undisclosed material change or material fact relating to the Corporation or the Debentures, the Warrants, the Broker Warrants or the Offered Shares;
  - (g) the Agent will have completed its due diligence review of the Corporation and the Subsidiary to its satisfaction;
  - (h) the Agent will have received a certificate from Odyssey Trust Corporation as to the number of Common Shares issued and outstanding as at the date immediately prior to the Closing



Date; and

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

## **7. Closing**

The Closing will be completed at the Closing Time on each Closing Date and by way of electronic closing in which the closing documentation will be delivered by electronic mail exchange of signature pages in pdf or functionally equivalent electronic format which delivery will be effective without any further physical exchange of original or copies of originals or by such other means as the Corporation and the Agent may agree in writing, other than the delivery of the original certificates referred to in (c) below.

At the Closing Time the Agent will deliver to the Corporation:

- (a) all completed Subscription Agreements, including all appendices, schedules and exhibits thereto; and
- (b) any other forms required under Applicable Securities Laws of the Offering Jurisdictions or the Exchange,

against delivery by the Corporation to the Agent, or as directed by the Agent, of:

- (c) one or more original certificates in definitive form representing each of the Debentures, the Broker Warrants and, if applicable, the Finance Fee Shares, and (ii) all further documentation as may be contemplated in this Agreement or as Agent's Counsel may reasonably require; against payment by the Agent to the Corporation of the applicable aggregate purchase price for the Debentures being issued and sold under this Agreement, on such Closing Date, net of the Cash Commission, the Cash Fee and, on the First Closing Date only, the Finance Fee if payable in cash and the Agent's expenses contemplated in Section 9 of this Agreement, by certified cheque, bank draft or wire transfer payable to or as directed by the Corporation not less than 48 hours prior to the Closing Time; and
- (d) such further documentation as may be contemplated by this Agreement or that may be reasonably requested by Agent's Counsel.

The Corporation will make all necessary arrangements for the exchange of any such definitive certificates or deposit of such securities, on the date of delivery, at the principal offices of the Agent in the City of Toronto for certificates representing the Broker Warrants in such amounts and registered in such names as will be designated by the Agent not less than 48 hours prior to the Closing Time. The Corporation will pay all fees and expenses payable to or incurred by the registrar of the Corporation in connection with the preparation, delivery, certification and exchange of any definitive certificates contemplated by this Section 7 and the fees and expenses payable to or incurred by the registrar of the Corporation in connection with such additional transfers required in the course of the distribution of the Debentures and the Broker Warrants, which fees and expenses may be deducted by the Agent from the aggregate gross proceeds of the Offering.

## 8. Agent's Compensation

In consideration of the Agent agreeing to act as agent to find Subscribers of the Debentures on a commercially reasonable "best efforts" private placement basis, the Corporation agrees to pay to the Agent at the Closing Time (as defined below) on each Closing Date:

- (a) an aggregate cash fee equal to 8.0% (or 4.0% in the case of subscribers identified on the President's List) of the aggregate gross proceeds to the Corporation from the Offering on the applicable Closing Date, respectively (the "**Cash Commission**"); and
- (b) broker warrants (each, a "**Broker Warrant**" and collectively, the "**Broker Warrants**") exercisable to purchase such number of Common Shares (each, a "**Broker Warrant Share**" and collectively, the "**Broker Warrant Shares**") equal to 8.0% (or 4.0% in the case of subscribers identified on the Corporation's President's List) of the number of Units that the aggregate principal amount of Debentures sold on the applicable Closing Date are convertible into at a price of \$0.35 per Unit, at an exercise price \$0.60 per Broker Share for a period of 24 months following the date of issuance of the Broker Warrants.

In addition, in consideration of the Agent acting as lead agent and sole bookrunner, the Corporation shall pay the Agent:

- (a) on each Closing Date, a corporate finance work fee (the "**Finance Fee**") equal to 3.0% of the aggregate gross proceeds from the sale of the Debentures sold under the Offering on the applicable Closing Date, payable in cash or Common Shares at a deemed price of \$0.35 per Common Share ("**Finance Fee Shares**"), at the option of the Corporation; and
- (b) on the First Closing Date, a cash fee of \$30,000 (the "**Cash Fee**").

All amounts payable to the Agent hereunder are exclusive of any applicable goods and services tax, provincial sales tax, or other applicable value-added tax.

## 9. Fees and Expenses

The Corporation will be responsible for all reasonable expenses related to the Offering, whether or not it is completed, including, but not limited to: fees and disbursements of the Corporation's legal counsel; fees and disbursements of the Agent's Counsel up to a maximum of C\$25,000; fees and disbursements of accountants and auditors; fees and disbursements of other applicable experts; expenses related to road-shows and marketing activities; printing costs; filing fees; stock exchange fees; out-of-pocket expenses of the Agent, including, but not limited to, its travel expenses in connection with due diligence and marketing activities; and taxes on all of the foregoing.

For greater certainty, the Corporation covenants and agrees that the reasonable fees and disbursements of Agent's Counsel do not require its prior consent and it will be solely responsible for all reasonable fees and disbursements invoiced by Agent's Counsel plus all applicable taxes and disbursements. All fees and expenses incurred by the Agent or on its behalf will be payable by the Corporation immediately upon receiving an invoice from the Agent.

## 10. Accuracy of Representations and Warranties

All representations, warranties, covenants, terms and conditions of this Agreement will be construed as conditions, and any material breach or failure to comply with any such representation, warranty, covenant,

term or condition will entitle the Agent to terminate its obligation to distribute the Debentures by written notice to that effect given to the Corporation prior to the Closing Date. The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of its rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension will be binding on the Agent only if the same is in writing.

## **11. Termination by Agent**

The Agent may terminate its obligations hereunder, without any liability on the Agent's part, by written notice to the Corporation, in the event that after the date hereof and at or prior to the Closing Time on any Closing Date:

- (a) any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the distribution of any of the Securities is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the Exchange or by any other competent authority, and has not been rescinded, revoked or withdrawn;
- (b) any inquiry, action, suit, investigation or proceeding (whether formal or informal) in relation to the Corporation or any of its directors or senior officers is announced, commenced or threatened by any Governmental Authority, the Exchange, or there is any change of law, or the interpretation or administration thereof; or any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Corporation is made by a Governmental Authority and that order is still in effect, which in the reasonable opinion of the applicable Agent operates to prevent or restrict the trading in the Common Shares or the distribution of the Debentures or which in the reasonable opinion of the applicable Agent, acting in good faith, could be expected to have a Material Adverse Effect on the market price of value of the Debentures or the Common Shares;
- (c) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions or any action, law, regulation or inquiry which, in the reasonable opinion of the applicable Agent, materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada, or the business, operations or affairs of the Corporation;
- (d) there occurs any material change in the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospect of the Corporation or there exists or is discovered by the Agent any material fact which is, or may be, of such a nature as to render the public information record of the Corporation within the past two years, untrue, false or misleading in a material respect or results in a misrepresentation (other than a change or fact related solely to the Agent), which in the reasonable opinion of the applicable Agent could be expected to have Material Adverse Effect on the market price or value of the Debentures or the Common Shares;
- (e) the Corporation is in breach of, default under or non compliance with any material

representation, warranty, term or condition of this Agreement or the Subscription Agreements;

- (f) the state of the financial markets in any of the Offering Jurisdictions is such that in the opinion of the applicable Agent, acting reasonably, the Debentures cannot be marketed profitably; or
- (g) the applicable Agent becomes aware, acting reasonably, as a result of its due diligence review or otherwise, of any Material Adverse Effect with respect to the Corporation which, in the sole opinion of the applicable Agent, had not been disclosed to the public or to the Agent in writing prior to the date hereof and at or prior to the Closing Time.

Any termination pursuant to the terms of this Agreement will be effected by notice in writing delivered to the Corporation, provided that no termination will discharge or otherwise affect any obligation of the Corporation under Section 9, Section 12, Section 15 and Section 16. The rights of the Agent to terminate obligations hereunder are in addition to, and without prejudice to, any other remedies it may have.

The Agent may exercise any or all of the rights provided for in Section 10, Section 11 or Section 14 notwithstanding any material change, change in any material fact, event or state of facts and notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change in any material fact, event or state of facts including, without limitation, any act of the Agent related to the Offering or continued offering of the Debentures for sale. The Agent will only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 10, Section 11 or Section 14 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

All representations, warranties, terms and conditions herein or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein will survive the payment by the Agent for the Debentures and will continue in full force and effect for the benefit of the Agent and the Subscribers for a period of two years from the Final Closing Date regardless of any investigation by or on behalf of the Agent with respect thereto.

## 12. Indemnification by the Corporation

- (a) The Corporation agrees to indemnify and save harmless the Agent and its affiliates (for the purposes of this Section 12, references to the Agent shall be deemed to include the Agent's affiliates) and any Selling Firms and their respective directors, officers, employees, partners, agents, advisors and shareholders (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses (other than loss of profit), expenses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel (collectively, "**Losses**") in connection with any action, suit, proceeding, investigation or claim (including, without limitation, security holder or derivative actions, arbitration proceedings or otherwise) that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly:
  - (i) any untrue statement or alleged untrue statement of material fact contained in the

information (whether written or oral) supplied to any prospective Subscriber by or on behalf of the Corporation or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, or

- (ii) the services provided by the Agent hereunder or under the engagement letter entered into between the Agent and the Corporation dated August 7, 2019,

and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim, provided, however that this indemnity shall not apply in respect of the Agent or the Indemnified Parties to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that: (A) the Agent or Indemnified Party has been negligent or have committed any fraudulent act or wilful misconduct in the course of such performance; and (B) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly or indirectly caused by the negligence, fraudulent act or wilful misconduct referred to in (A).

If for any reason (other than the occurrence of any of the events itemized in (A) and (B) above), the foregoing indemnification is unavailable to the Agent or insufficient to hold it harmless, then the Corporation shall contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Agent on the other hand but also the relative fault of the Corporation and the Agent, as well as any relevant equitable considerations; provided that the Corporation shall, in any event, contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Agent hereunder pursuant to the Agreement to which this indemnity is attached.

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

- (b) Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Agent will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission so to notify the Corporation shall not relieve the Corporation of any liability

which the Corporation may have to the Agent except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Corporation would otherwise have under this indemnity had the Agent not so delayed in giving or failed to give the notice required hereunder.

- (c) The Corporation shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Corporation notifying the Agent in writing of its election to assume the defence and retaining counsel, the Corporation shall not be liable to the Agent for any legal expenses subsequently incurred by them in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Agent, will keep the Agent advised of the progress thereof and will discuss with the Agent all significant actions proposed.
- (d) Notwithstanding the foregoing paragraph, the Agent shall have the right, at the Corporation's expense, to employ counsel of the Agent's choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Corporation; or (ii) the Corporation has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation or the Agent have advised the Agent that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Agent, or to the Agent, which are different from or in addition to those available to the Corporation (in which event and to that extent, the Corporation shall not have the right to assume or direct the defence on the Agent's behalf) or that there is an actual or potential conflict of interest between the Corporation and the Agent or between the Agent or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Corporation shall not have the right to assume or direct the defence on the Agent's behalf).
- (e) No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Agent. No admission of liability shall be made and the Corporation shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.
- (f) The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties of the Agent and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation, the Agent and any of the Indemnified Parties of the Agent. The foregoing provisions shall survive the completion of professional services rendered under the letter to which this is attached or any termination of the authorization given by the letter to which this is attached.
- (g) The Corporation hereby constitutes the Agent as agent and trustee for each of the Indemnified Parties of the Corporation's covenants under this indemnity with respect to such persons and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

- (h) The obligations of the Corporation under this Section 12 are in addition to any liabilities which the Corporation may otherwise have to the Agent or any Indemnified Party.

### 13. Notices

Any notice or other communication required or permitted to be given hereunder will be in writing and will be addressed and delivered:

in the case of the Corporation, to:

VSBLTY Groupe Technologies Corp.  
Suite 300, 417 North 8<sup>th</sup> Street  
Philadelphia, Pennsylvania 19123

Attention: Jay Hutton  
Email: [jhutton@vsblty.net](mailto:jhutton@vsblty.net)

with a copy of any such notice (which will not constitute notice to the Corporation) to:

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

Attention: Mark Neighbor  
Email: [Mark.Neighbor@mcmillan.ca](mailto:Mark.Neighbor@mcmillan.ca)

in the case of Echelon, to:

Echelon Wealth Partners Inc.  
1 Adelaide Street East, Suite 2100  
Toronto, ON M5C 2V9

Attention: David G. Anderson, Head of Investment Banking  
Email: [danderson@echelonpartners.com](mailto:danderson@echelonpartners.com)

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

Bennett Jones  
2500 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2X8

Attention: Kwang Lim  
Email: [limk@bennettjones.com](mailto:limk@bennettjones.com)

or to such other address as the party may designate by notice given to the others. Each communication will be personally delivered to the addressee or sent by electronic transmission to the addressee, and:

- (a) a communication which is personally delivered will, if delivered before 4:30 p.m. (local

time) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and

- (b) a communication which is sent by e-mail transmission will, if sent on a Business Day before 4:30 p.m. (local time), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

#### **14. Agent's Statutory Obligations**

The Corporation: (i) acknowledges and agrees that the Agent has certain statutory obligations as a registrant under the Applicable Securities Laws and has fiduciary relationships with its clients; and (ii) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent's statutory obligations as a registrant under Applicable Securities Laws or fiduciary relationships with its clients conflicts with its obligations hereunder, the Agent will be entitled to fulfill its statutory obligations as a registrant under Applicable Securities Laws and its duties to its clients. Nothing in this Agreement will be interpreted to prevent the Agent from fulfilling its statutory obligations as a registrant under Applicable Securities Laws or to act as a fiduciaries of its clients.

It is the intention of the Corporation to constitute the Agent as trustee for each of the Subscribers in respect of the benefit of its applicable representations, warranties and covenants set forth in this Agreement.

#### **15. Alternative Transaction**

- (a) If, prior to the earlier of the Final Closing Date or termination of this Agreement, a prospectus or a filing statement/information circular is filed or a letter of intent or a similar document or agreement, whether conditional, binding or otherwise (each, a "LOI") is signed in connection with any Alternative Transaction (other than with respect to the Offering or any transaction in respect of which the Agent is providing Additional Services) and subsequent thereto, the Corporation terminates this Agreement then, where the Corporation and/or any of its respective affiliates complete an Alternative Transaction within 6 months of the date of such termination (the "**Alternative Transaction Period**") which results in the sale, amalgamation, or merger of the Corporation or a private placement or a public offering, or any transaction contemplated hereunder, the Corporation will, upon completing the Alternative Transaction, pay the Agent, in addition to any amounts required to be paid under this Agreement, an amount equal to 50% of the cash commission payable pursuant to this Agreement based on an offering size equal to the maximum offering size of the Offering (the "**Alternative Transaction Fee**"). The Alternative Transaction Fee shall be payable only with respect to the first Alternative Transaction completed during the Alternative Transaction Period and upon such payment being made this section shall be of no further force or effect.
- (b) The Corporation acknowledges that the agreements contained in this Section 15 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Agent would not enter into this Agreement, and that the amounts set out in this Section 15 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the Agent will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and is not a penalty. The Corporation irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.



## **16. Right of First Refusal**

If within a period of 12 months from the date of this Agreement (the "**Right of First Refusal Period**") and only if the first tranche of the Offering has been completed, the Corporation undertakes a public or private brokered or underwritten offering of debt (excluding mortgage debt or any other form of property level financing), equity or equity-based securities in any jurisdiction, Echelon will have a right of first refusal ("**Right of First Refusal**") to serve as manager and lead placement agent for such financing. In the event that a Right of First Refusal is exercised under this section, the Corporation and Echelon, will enter into a separate agreement or other appropriate documentation for such engagement containing such compensation and other terms and conditions as are customary for similar engagements, including, without limitation, appropriate indemnification provisions. The foregoing Right of First Refusal must be exercised by Echelon within five business days following written notification (a "**Right of First Refusal Notice**") from the Corporation that the Corporation requires or proposes to undertake a brokered or underwritten offering, failing which Echelon shall relinquish its rights with respect to that particular engagement only and shall continue to have a Right of First Refusal in relation to any other public or private brokered or underwritten offering of debt, equity, equity-based securities, or financial advisory services of the Corporation during the Right of First Refusal Period. If, prior to, or any time after, providing Echelon with a Right of First Refusal Notice, the Corporation has received an offer from a third party to serve as lead manager, or exclusive placement agent in connection with a financing, the terms upon which such third party has proposed to act in such capacity shall be disclosed to Echelon by the Corporation in writing, and Echelon shall be entitled to exercise its Right of First Refusal by notifying the Corporation, within five business days following written notification from the Corporation, of its intention to match the terms proposed by such third party. The Corporation confirms that there are no other rights of first refusal to provide debt or equity financing services to the Corporation currently outstanding.

## **17. Additional Issuances**

The Corporation shall not, for a period beginning on the date of this Agreement and ending 120 days from the Final Closing Date, issue or sell any Common Shares or securities or financial instruments convertible or exchangeable into Common Shares, other than (i) in connection with the Non-Brokered Offering; (ii) stock options issued under the Stock Option Plan or share bonus awards issued to employees or consultants of the Corporation; (iii) securities issued under commercial agreements, in connection with share or asset acquisitions, or otherwise issued in the normal course of business pursuant to non-financing transactions; (iv) securities issued to satisfy existing instruments already issued as of the date hereof; or (v) securities issued with the prior written consent of the Agent, such consent not to be unreasonably withheld.

## **18. Miscellaneous**

- (a) If one or more of the provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- (b) This Agreement contemplated by or delivered under or in connection with this Agreement are governed by and are to be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and treated in all respects as an Ontario contract. The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom. Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of any matter referred to in this Agreement is hereby waived

by the parties hereto.

- (c) Except as otherwise stated herein, it is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between any of the Agent and the Corporation with respect to the issuance of securities by the Corporation.
- (d) Time will be of the essence of this Agreement.
- (e) In this Agreement, words importing the singular include the plural and words importing gender include all genders.
- (f) Where the phrase "to the knowledge of" is used in respect of the Corporation, such phrase will mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the actual knowledge of management of the Corporation, after appropriate inquiries and investigations.
- (g) This Agreement may be executed in one or more counterparts each of which so executed will constitute an original and all of which together will constitute one and the same agreement.
- (h) Delivery of an executed counterpart of this Agreement by electronic means, including by facsimile transmission or by electronic delivery in portable document format (".pdf"), will be equally effective as delivery of a manually executed counterpart hereof.

***[The remainder of this page left intentionally blank; signature page follows.]***

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Agent's Counsel.

**ECHELON WEALTH PARTNERS INC.**

By: "redacted"  
Name: David G. Anderson  
Title: Head of Investment Banking

Accepted and agreed to effective as of the date of this Agreement.

**VSBLTY GROUPE TECHNOLOGIES CORP.**

By: "redacted"  
Name: Jay Hutton  
Title: CEO

## AMENDMENT AGREEMENT

THIS AGREEMENT made as of September 19, 2019.

BETWEEN:

**VSBLTY GROUPE TECHNOLOGIES CORP.**, a corporation existing under the laws of the Province of British Columbia

(the "**Corporation**")

AND:

**ECHELON WEALTH PARTNERS INC.**, a corporation existing under the laws of the Province of Ontario

(the "**Agent**")

WHEREAS:

A. The Corporation and the Agent entered into an agency agreement (the "**Original Agreement**") dated August 29, 2019 with respect to the brokered private placement offering by the Corporation of up to \$3,000,000 principal amount of 10% unsecured convertible debentures in the principal amount of \$1,000.

B. The parties mutually wish to amend the Original Agreement on the terms set out herein.

**NOW THEREFORE**, in consideration of the mutual premises and the respective covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

### 1. ONE AGREEMENT

The Original Agreement, as amended hereby, will continue in full force and effect and this Amendment Agreement will have effect so far as practicable as if all the provisions of the Original Agreement and of this Amendment Agreement were contained in the one instrument.

### 2. DEFINITIONS

Except as otherwise specified herein, all capitalized terms defined in the Original Agreement will have the same meaning when used in this Amendment Agreement.

### 3. AMENDMENTS TO ORIGINAL AGREEMENT

Effective as of August 29, 2019, the Original Agreement is hereby amended by deleting Section 8(b) of the Original Agreement in its entirety and replacing it with the following:

"broker warrants (each, a "**Broker Warrant**" and collectively, the "**Broker Warrants**") exercisable to purchase such number of Common Shares (each, a "**Broker Warrant Share**" and collectively, the "**Broker Warrant Shares**") equal to 8.0% (or 4.0% in the case of subscribers identified on the Corporation's

President's List) of the number of Units that the aggregate principal amount of Debentures sold on the applicable Closing Date are convertible into at a price of \$0.35 per Unit, at an exercise price \$0.35 per Broker Share for a period of 24 months following the date of issuance of the Broker Warrants."

#### **4. GOVERNING LAW**

This Amendment Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the courts of such Province will have jurisdiction over any dispute arising under this Agreement.

#### **5. COUNTERPARTS**

This Amendment Agreement may be executed in two or more counterparts, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

**IN WITNESS WHEREOF** the parties have executed this Amendment Agreement as of the date first set out above.

**VSBLTY GROUPE TECHNOLOGIES INC.**

Per: "redacted"  
Authorized Signatory

**ECHELON WEALTH PARTNERS INC.**

Per: "redacted"  
Authorized Signatory

## AGENCY AGREEMENT

February 26, 2020

VSBLTY Groupe Technologies Corp.  
Suite 300, 417 North 8<sup>th</sup> Street  
Philadelphia, Pennsylvania  
19123

Attention: Jay Hutton, President and CEO

Dear Sirs:

**Re: Brokered Private Placement**

Echelon Wealth Partners Inc. ("**Echelon**" or the "**Agent**") understands that VSBLTY Groupe Technologies Corp. (the "**Corporation**") proposes to create, offer, issue and sell, in one or more tranches, up to \$4,000,000 principal amount (or such other amount as the Agent and the Corporation may agree) of 10% unsecured convertible debentures in the principal amount of \$1,000 (each, a "**Debenture**" and collectively, the "**Debentures**"), subject to the terms and conditions set out below (the "**Offering**").

The Debentures will bear interest at a rate of 10.0% per annum from the date of their issuance, calculated and payable semi-annually in arrears on June 30 and December 31 of each year. The first interest payment period shall be calculated from and including the Closing Date (as set out below) to, but excluding, June 30, 2020. All other interest payment periods shall be calculated from and including the date of the latest interest payment date to, but excluding, the current interest payment date. The Debentures shall be unsecured subordinated obligations of the Corporation and shall rank *pari passu* in right of payment of principal and interest with all other Debentures issued under the Offering, the Non-Brokered Placement (as defined herein) and the Prior Debenture Offerings (as defined herein).

The description of the Debentures herein is a summary only and is subject to the specific attributes and detailed provisions of the Debentures to be set forth in debenture certificates issued by the Corporation (each, a "**Debenture Certificate**" and collectively, the "**Debenture Certificates**"). In the case of any inconsistency between the description of the Debentures in this Agreement and their terms and conditions as set forth in the Debenture Certificates, the provisions of the Debenture Certificates shall govern.

The Debentures will mature on the date that is 24 months after the date on which they were issued (the "**Maturity Date**"). The Debentures are convertible into units (collectively, the "**Units**" and each, a "**Unit**") of the Corporation at the election of the holder, at a conversion price (the "**Conversion Price**") of (i) \$0.30 per Unit, if converted at any time prior to or on the date that is one year from their date of issuance, or (ii) \$0.60 per Unit if converted on or after the date that is one year after their date of issuance but before the Maturity Date. Each Unit is comprised of one Common Share (as defined herein) (each, a "**Unit Share**" and collectively, the "**Unit Shares**") and one Common Share purchase warrant (each, a "**Warrant**" and collectively, the "**Warrants**").

Each Warrant entitles the holder thereof to purchase one Common Share (each, a "**Warrant Share**" and collectively, the "**Warrant Shares**") for a period of 24 months after the date of issuance of the Debentures (the "**Expiry Date**") at a price of \$0.60 per Warrant Share (subject to adjustment in certain circumstances) (the "**Exercise Price**"). The Warrants will be subject to an acceleration right of the Corporation (the "**Warrant Acceleration Right**") if on any ten consecutive trading days beginning on the date that is four months and one day following the applicable Closing Date on which they were issued, the daily volume

weighted average price of the Common Shares on the Canadian Securities Exchange (the "**Exchange**") (or such other exchange on which the Common Shares are then trading) is greater than \$1.00 per Common Share. If the Corporation exercises the Warrant Acceleration Right, the new expiry date of the Warrants will be the date that is 30 days following the date on which the Corporation issues a news release announcing the accelerated Expiry Date.

The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in warrant certificates issued by the Corporation (each, a "**Warrant Certificate**" and collectively, the "**Warrant Certificates**"), in the form substantially attached as Schedule "C" to the Debenture Certificate. In the case of any inconsistency between the description of the Warrants in this Agreement and their terms and conditions as set forth in the Warrant Certificates, the provisions of the Warrant Certificates shall govern.

The Corporation acknowledges that the Agent will be under no obligation to purchase any of the Debentures. The Agent will be entitled in connection with the Offering to retain other registered securities dealers as sub-agents, (the "**Selling Firms**") and may receive for delivery to the Corporation at the Closing Time (as defined herein) subscriptions for Debentures from Subscribers (as defined herein) from other registered dealers. The fees payable to such Selling Firms will be for the account of the Agent.

Furthermore, the Agent will have the right of first refusal to act as lead agent on certain future financings as more particularly described herein.

The Agent and the Corporation agree that the Corporation may also offer Debentures directly to purchasers in a principal amount of \$1,000 per Debenture by way of non-brokered private placement in the Offering Jurisdictions (as defined herein) and the United States in the aggregate amount of up to C\$1,500,000 (or such other amount as the parties may agree), which is expected to close in one or more tranches (the "**Non-Brokered Placement**"). The Agent undertakes no obligation to the Corporation or to the purchasers under the Non-Brokered Placement, including with respect to the conversion of the Debentures into Common Shares and Warrants or the exercise of the Warrants into Warrant Shares. The Corporation acknowledges and agrees that purchasers under the Non-Brokered Placement do not and will not have any recourse to or any rights against the Agent, and the Agent does not and will not have any liability whatsoever to purchasers under the Non-Brokered Placement or in connection with the conversion of the Debentures into Common Shares and Warrants or the exercise of the Warrants for Warrant Shares.

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

The following are the terms and conditions of this Agreement:

## **1. Definitions**

Where used in this Agreement or in any amendment hereto, the following terms will have the following meanings, respectively:

- (a) "**Acquisition**" means the acquisition of the Subsidiary by the Corporation pursuant to a merger agreement dated December 12, 2018 among the Corporation, the Subsidiary and VSBLTY Merger Co. and the transactions in connection therewith;
- (b) "**Additional Services**" means any services that the Corporation requests the Agent performs other than those set out in this Agreement;
- (c) "**Agent**" has the meaning given to it on the first page of this Agreement;



- (d) "**Agent's Counsel**" means Bennett Jones LLP;
- (e) "**Agreement**" means this Agency Agreement as the same may be amended, supplemental or otherwise modified or restated from time to time;
- (f) "**Alternative Transaction**" means (i) an issuance or sale by the Corporation or any of its respective affiliates, of securities other than those pursuant to the Offering contemplated herein, not including the Non-Brokered Placement; (ii) a merger, amalgamation, business combination, reorganization, joint-venture or similar transaction involving the Corporation or its shareholders; (iii) the acquisition of the Corporation by way of take-over bid, exchange offer, or similar transaction; or (iv) the direct sale or indirect sale or exchange of all or substantially all of the shares, securities or assets of the Corporation. For purposes of this Agreement, "affiliate" shall have the meaning ascribed to such term in the *Securities Act* (Ontario);
- (g) "**Alternative Transaction Fee**" has the meaning given to in Section 15(a);
- (h) "**Alternative Transaction Period**" has the meaning given to in Section 15(a);
- (i) "**Applicable Laws**" means, in relation to any person or persons, the Applicable Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority that are applicable to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority, having jurisdiction over the person or persons or its or their business, undertaking, property or securities;
- (j) "**Applicable Securities Laws**" means, collectively, all applicable corporate, securities and other laws, rules, regulations, notices and policies of each of the Offering Jurisdictions, their respective regulations, rulings, rules, orders (including blanket orders and discretionary orders), instruments (including national and multilateral instruments), fee schedules and prescribed forms thereunder, the applicable policy statements issued by the Securities Commissions or similar authority thereunder and the securities legislation of and policies issued by each other relevant jurisdiction and the rules and policies of the Exchange;
- (k) "**Authorizations**" means any current and active regulatory licences, approvals, permits, approvals, consents, certificates, registrations, filings or other authorizations of or issued by any Governmental Authority under Applicable Laws;
- (l) "**Broker Share**" and "**Broker Shares**" have the respective meanings given to them in Section 8;
- (m) "**Broker Warrant Certificate**" means the certificate representing the Broker Warrants;
- (n) "**Broker Warrant**" and "**Broker Warrants**" have the respective meanings given to them in Section 8;
- (o) "**Business**" means the business of commercializing various technologies relating to digital display and intelligent analytics, including, without limitation, by combing interactive touch-screens and data capture cameras with cloud and edge-based facial analysis, and all

other commercial activities relating thereto;

- (p) "**Business Day**" means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Vancouver, British Columbia;
- (q) "**Cash Commission**" has the meaning given to it in Section 8;
- (r) "**CDS**" means CDS Clearing and Depository Services Inc.;
- (s) "**Claims**" has the meaning given to it in Section 12(a);
- (t) "**Closing**" means the closing of the first tranche of the Offering on the First Closing Date or the closing of any subsequent tranche of the Offering on the applicable subsequent Closing Date, as applicable;
- (u) "**Closing Date**" means the First Closing Date or the applicable Subsequent Closing Date, as the context requires;
- (v) "**Closing Time**" means 9:30 a.m. (Vancouver time) on the applicable Closing Date, or such other time on the Closing Date as may be agreed to by the Corporation and the Agent;
- (w) "**Common Shares**" means the common shares in the capital of the Corporation;
- (x) "**Conversion Price**" has the meaning given to it on the second page of this Agreement;
- (y) "**Corporation**" has the meaning given to it on the first page of this Agreement;
- (z) "**Debenture**" and "**Debentures**" have the meanings given to them on the first page of this Agreement;
- (aa) "**Debenture Certificate**" and "**Debenture Certificates**" has the respective meanings given to them on the first page of this Agreement;
- (bb) "**Disclosure Record**" means the Corporation's prospectuses, annual reports, annual and interim financial statements, annual information form, business acquisition reports, management discussion and analysis of financial condition and results of operations, information circulars, material change reports, press releases and all other information or documents publicly filed or otherwise publicly disseminated by the Corporation since October 25, 2018;
- (cc) "**Due Diligence Sessions**" has the meaning given to it in Section 3(i);
- (dd) "**Echelon**" has the meaning given to it on the first page of this Agreement;
- (ee) "**Exchange**" has the meaning given to it on the second page of this Agreement;
- (ff) "**Exercise Price**" has the meaning given to it on the second page of this Agreement;
- (gg) "**Expiry Date**" has the meaning given to it in Section 8 of this Agreement;
- (hh) "**Final Closing Date**" means the last Closing Date of the Offering;

- (ii) "**Finance Fee Shares**" has the meaning given to it in Section 8 of this Agreement;
- (jj) "**Financial Statements**" means, collectively, the (i) the audited annual consolidated financial statements of the Subsidiary for the years ended December 31, 2018 and 2017; and (ii) the condensed consolidated interim financial statements for the Corporation for the three and nine months ended September 30, 2019 and 2018;
- (kk) "**First Closing Date**" means February 26, 2020 or such earlier or later date as may be agreed to in writing by the Corporation and the Agent, each acting reasonably;
- (ll) "**Governmental Authority**" means and includes, without limitation, any national or federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory, taxing or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;
- (mm) "**Governmental Licences**" has the meaning given to it in Section 5(jjj);
- (nn) "**Government Official**" means (i) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority, (ii) any salaried political party official, elected member of political office or candidate for political office, or (iii) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;
- (oo) "**Hazardous Substances**" has the meaning given to it in Section 5(ddd);
- (pp) "**Indebtedness**" of a person means, without duplication: (i) all debts and liabilities of that person for borrowed money; (ii) all capital leases of that person; (iii) all debts and liabilities of that person representing the deferred acquisition cost of property and services; and (iv) all guarantees given by that person;
- (qq) "**Indemnified Parties**" and "**Indemnified Party**" have the respective meanings given to them in Section 12(a);
- (rr) "**Intellectual Property**" means any and all industrial or intellectual property (whether foreign or domestic, registered or unregistered) owned by the Corporation and the Subsidiary, licensed to the Corporation and the Subsidiary or used in the operation, conduct or maintenance of the Business, as it is currently and has historically been operated, conducted or maintained, including without limitation: (i) all inventions (whether patentable or unpatentable and whether or not reduced to practice), and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (ii) all trademarks, trade-names, trade dress, logos, business names, corporate names, domain names, uniform resource locators (URL's) and the internet websites related thereto, and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (iii) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith; (iv) all industrial designs and all applications, registrations and renewals in connection therewith; (v) all proprietary, technical or confidential information, including all trade secrets, processes, procedures, know-how, show-how, formulae, methods, data, databases and corresponding information

contained therein; (vi) all computer software (including all source code, object code and related documentation); together with: (A) all copies and tangible embodiments of the foregoing (in whatever form or medium); (B) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; and (C) all Intellectual Property Rights related to each of the foregoing;

- (ss) "**Intellectual Property Rights**" means any right or protection existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade-secret law, industrial design law, confidential information law (including breach of confidence), trademark law, trade-name law, passing off, unfair competition law or other similar laws, and includes legislation by competent governmental authorities and judicial decisions under common law or equity, and for greater certainty includes the right to file any applications, and the right to claim for the same the priority rights derived from any applications filed under any treaty, convention, or any domestic laws of a country in which a prior application is filed;
- (tt) "**Leased Premises**" has the meaning given to it in Section 5(aaa);
- (uu) "**Lien**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or right to use or occupy such property or assets;
- (vv) "**Losses**" has the meaning given to it in Section 12(a);
- (ww) "**Material Adverse Effect**" means any event, change, fact, or state of being which is materially adverse to the business, affairs, capital, operation, properties, permits, assets, liabilities (absolute, accrued, contingent or otherwise) or condition (financial or otherwise) of the Corporation and the Subsidiary considered on a consolidated basis;
- (xx) "**Material Agreements**" means, collectively: (i) merger agreement dated December 12, 2018 among the Corporation, the Subsidiary and VSBLTY Merger Co., (ii) the escrow agreement dated February 12, 2019 between the Corporation, Odyssey Trust Company and certain shareholders of the Corporation and (ii) any amendments to the foregoing documents;
- (yy) "**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings given to it under the Applicable Securities Laws of the Offering Jurisdictions;
- (zz) "**Non-Brokered Placement**" has the meaning given to it on the second page of this Agreement;
- (aaa) "**Offered Shares**" means, collectively, the Unit Shares, the Warrant Shares, the Broker Shares and the Finance Fee Shares (if any);
- (bbb) "**Offering**" has the meaning given to it on the first page of this Agreement;

- (ccc) "**OFAC**" means the Office of Foreign Assets Control of the United States Department of the Treasury;
- (ddd) "**Offering Jurisdictions**" means, collectively, each of the provinces and territories of Canada and such other jurisdictions consented to by the Corporation and the Agent where Debentures are sold pursuant to the Offering but excluding the United States;
- (eee) "**Qualification**" has the meaning given to it in Section 5(mm);
- (fff) "**President's List**" means the Subscribers identified on a list provided to the Agent by the Corporation, the aggregate subscription amount of which is not to exceed \$250,000 without the consent of the Agent;
- (ggg) "**Prior Debenture Offerings**" means the brokered and non-brokered private placements of Debentures completed on July 18, 2019, August 29, 2019, September 19, 2019 and October 23, 2019;
- (hhh) "**Responses**" has the meaning given to it in Section 3(i);
- (iii) "**Right of First Refusal**" has the meaning given to it in Section 16;
- (jjj) "**Right of First Refusal Notice**" has the meaning given to it in Section 16;
- (kkk) "**Right of First Refusal Period**" has the meaning given to it in Section 16;
- (lll) "**SEC**" means the United States Securities and Exchange Commission;
- (mmm) "**Securities**" means, collectively, the Debentures, the Units, the Warrants, the Broker Warrants and the Offered Shares;
- (nnn) "**Securities Commission**" means the securities commission or similar regulatory authority in each of the Offering Jurisdictions and "**Securities Commissions**" has a comparable meaning;
- (ooo) "**Selling Firms**" has the meaning given to it on the second page of this Agreement;
- (ppp) "**Software**" has the meaning given to it in Section 5(dd);
- (qqq) "**Standard Listing Conditions**" has the meaning given to it in Section 3(g);
- (rrr) "**Stock Option Plan**" means the Corporation's stock option plan dated for reference December 17, 2018;
- (sss) "**Subscribers**" means the persons who (as purchasers or beneficial purchasers) acquire Debentures by duly completing, executing and delivering Subscription Agreements which are accepted by the Corporation, and permitted assignees or transferees of such persons from time to time;
- (ttt) "**Subscription Agreements**" means, collectively, the subscription agreements in the form agreed upon by the Agent and the Corporation, pursuant to which Subscribers agree to subscribe for and purchase Debentures as herein contemplated and will include, for greater certainty, all schedules thereto;

- (uuu) "**Subsequent Closing Date**" means any date after the First Closing Date on which a subsequent tranche of the Offering closes (including the Final Closing Date) as may be agreed to in writing by the Corporation and the Agent each acting reasonably;
- (vvv) "**Subsidiary**" means VSBLTY, Inc., a corporation organized under the laws of Delaware;
- (www) "**Survival Limitation Date**" means the fifth anniversary of the Final Closing Date of the Offering;
- (xxx) "**Tax Act**" has the meaning given to it in Section 5(yy);
- (yyy) "**Transaction Documents**" means, collectively, this Agreement, the Subscription Agreements, the Debenture Certificates, the Warrant Certificates and the Broker Warrant Certificate;
- (zzz) "**Unit**" and "**Units**" have the respective meanings given to them on the second page of this Agreement;
- (aaaa) "**United States**" and "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
- (bbbb) "**Warrant Acceleration Right**" has the meaning given to it on the second page of this Agreement;
- (cccc) "**Warrant Certificate**" and "**Warrant Certificates**" have the respective meaning given to it on the second page of this Agreement; and
- (dddd) "**Warrant Share**" and "**Warrant Shares**" have the respective meanings given to them on the second page of this Agreement.

## 2. The Offering

- (a) The Corporation hereby agrees to secure compliance with all Applicable Securities Laws on a timely basis in connection with the distribution of the Debentures and the Corporation will execute and file with the Securities Commissions all forms, notices and certificates relating to the Offering required to be filed pursuant to the Applicable Securities Laws in the Offering Jurisdictions in the time required by Applicable Securities Laws in the Offering Jurisdictions.
- (b) The Corporation hereby appoints the Agent as exclusive Agent, to offer and sell the Debentures on a commercially reasonable efforts basis and the Agent hereby accepts such appointment. Notwithstanding anything to the contrary contained herein or any oral representations or assurances previously or subsequently made by the parties hereto, this Agreement does not constitute a commitment by, or legally binding obligation of, the Agent or any of its respective affiliates to act as underwriters, initial purchasers, arrangers, and/or placement Agent in connection with any offering of securities of the Corporation, including the Debentures, or to provide or arrange any financing, other than the appointment as Agent in connection with the Offering in accordance with the prior sentence and otherwise on the terms set forth herein. The Agent understands that the Corporation will concurrently issue and sell Debentures to purchasers pursuant to the Non-Brokered Placement.

- (c) The Corporation understands that the Agent will have the right to and will use commercially reasonable efforts to arrange for the Debentures to be purchased by the Subscribers:
  - (i) in the Offering Jurisdictions on a private placement basis in compliance with Applicable Securities Laws such that the offer and sale of the Debentures does not obligate the Corporation to file a prospectus; and
  - (ii) in such other jurisdictions as consented to by the Corporation on a private placement basis in compliance with all Applicable Securities Laws of such other jurisdictions provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction, no registration or similar requirement would apply with respect to the Corporation in such other jurisdictions and the Corporation does not thereafter become subject to on-going continuous disclosure obligations in such other jurisdictions.
- (d) Neither the Corporation nor the Agent will: (i) provide to any prospective purchasers of Debentures any document or other material that would constitute an offering memorandum within the meaning of Applicable Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Debentures, including any advertisement, article, notice or other communication published in any newspaper, magazine, printed public media, printed media or similar media, or broadcast over radio, television or telecommunications, including electronic display, or any seminar or meeting relating to the offer and sale of the Debentures whose attendees have been invited by general solicitation or advertising.

### **3. Covenants of the Corporation**

The Corporation covenants and agrees with the Agent and the Subscribers, and acknowledges that each of them is relying on such covenants in connection with the purchase by the Subscribers of Units:

- (a) to comply with all the obligations to be performed by it, and all of its covenants and agreements, under and pursuant to the Transaction Documents;
- (b) to, as soon as reasonably possible, and in any event by the applicable Closing Date, take such reasonable steps as may be necessary to enable the Debentures sold on such Closing Date to be offered for sale and sold on a private placement basis in the Offering Jurisdictions through the Agent or any Selling Firm in any of the Offering Jurisdictions by way of exemptions from the prospectus requirements of Applicable Securities Laws of the Offering Jurisdictions as contemplated hereby;
- (c) that during the period commencing on the date hereof and ending on the Final Closing Date, the Corporation will promptly inform the Agent of the full particulars of:
  - (i) any material change (actual, anticipated or threatened) in its assets, liabilities (absolute, accrued, contingent or otherwise), business, operations, capital or condition (financial or otherwise) of the Corporation or the Subsidiary;
  - (ii) any change in any material fact contained or referred to in the Financial Statements or the Transaction Documents or any part of the Disclosure Record relating to it or in any information regarding it previously provided to the Agent by it in writing

which has not otherwise been disclosed in writing to the Agent;

- (iii) the occurrence of a material fact or event which, in any such case, is, or may be, of such a nature as to: (A) render any of the Financial Statements or any other part of the Disclosure Record untrue, false or misleading in a material respect; (B) result in a misrepresentation in any of the Financial Statements or any other part of the Disclosure Record; or (C) result in any of the Financial Statements or any other part of the Disclosure Record not complying with Applicable Securities Laws in each instance as it applies to it; or
- (iv) the discovery of any misrepresentation in the Financial Statements, or any part of the Disclosure Record relating to it or any information provided to the Agent by it;
- (v) any breach of any covenant of this Agreement or any other Transaction Document, by any party thereto;

provided that if the Corporation is uncertain as to whether a material change, change in any material fact, occurrence or event of the nature referred to in this subsection has occurred, the Corporation will promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and will consult with the Agent as to whether the occurrence is of such nature;

- (d) that during the period commencing on the date hereof and ending on the Final Closing Date, the Corporation will promptly inform the Agent of the full particulars of:
  - (i) any request of any Securities Commission or other securities commission or similar regulatory authority received by it for any amendment to any of the Financial Statements or any other part of the Disclosure Record or for any additional information;
  - (ii) the issuance by any Securities Commission or other securities commission or similar regulatory authority, the Exchange or by any other competent authority of any order to cease or suspend trading of any of its securities or of the institution or threat of institution of any proceedings for that purpose; and
  - (iii) the receipt by it of any communication from any Securities Commission or other securities commission or similar regulatory authority, the Exchange or any other competent authority relating to any of the Financial Statements or any other part of the Disclosure Record or the distribution of any of the Securities, provided such communications would reasonably be considered material to the Agent's understanding or evaluation of the merits or the mechanics of the Offering;
- (e) that it will promptly comply, to the reasonable satisfaction of the Agent and the Agent's Counsel, with Applicable Securities Laws of the Offering Jurisdictions with respect to any material change, change in any material fact, occurrence or event of the nature referred to in Section 4(a) or 4(b) and of which it is aware and it will prepare and file promptly at the Agent's request, acting reasonably, any amendment to any of the Financial Statements or any other part of the Disclosure Record which in the Agent's opinion may be necessary or advisable and the Corporation will consult with the Agent with respect to the form and content of any amendment to any of the Financial Statements or any other part of the Disclosure Record proposed to be filed by it and will not file any such amendment without



the prior review and approval thereof by the Agent, acting reasonably;

- (f) that during the period commencing on the date hereof and ending on the Final Closing Date, it will promptly provide to the Agent, for review by the Agent and the Agent's Counsel, prior to filing or issuance of any proposed disclosure document which is or may be deemed to be part of or become part of the Disclosure Record, including without limitation any press release, financial statement, annual information form, material change report, business acquisition report, information circular or press release;
- (g) that it will use its commercially reasonable efforts to file or cause to be filed with the Exchange all necessary documents and will take or cause to be taken all necessary steps to obtain, prior to the Closing Time, all necessary approvals of the Exchange for the listing of the Offered Shares, subject only to filing of such customary and standard post-closing conditions imposed by the Exchange in similar circumstances (the "**Standard Listing Conditions**") and will comply with all requirements of the Exchange in connection with the issuance and listing of the Offered Shares, including filing of all necessary documentation in accordance with the requirements of the Exchange;
- (h) that all written or oral opinions, advice and materials provided by the Agent to the Corporation in connection with the Offering provided for in this Agreement are intended solely for the benefit and internal use of the Corporation, the Corporation agrees that no such opinion, advice or material will be used for any other purpose or reproduced, disseminated, quoted from or referred to at any time, in any manner or for any purpose, nor will any public reference to the Agent be made by it without the prior written consent of the Agent in each specific instance. The Agent expressly disclaims any liability or responsibility to the Corporation or any affiliate thereof, their respective management and boards of directors, or any other party, including without limitation, any past, present, or future holder of any securities of the Corporation by reason of unauthorized use, publication, distribution or reference to any oral or written opinions or advice or materials provided by the Agent or any unauthorized reference to the Agent or the engagement of the Agent hereunder;
- (i) to allow the Agent, during the period from the date hereof until the Closing Time on the Final Closing Date, to conduct all due diligence which the Agent may reasonably require in order to: (i) confirm the Disclosure Record is accurate, complete and current in all material respects; and (ii) fulfill the Agent's obligations as registrants. Without limiting the generality of the foregoing, the Corporation will make available its directors, and senior management and will use its commercially reasonable efforts to cause its auditors to answer any questions which the Agent may have and to participate in one or more due diligence sessions to be held prior to the Closing Time on each Closing Date (collectively, the "**Due Diligence Sessions**"). The Agent will distribute a list of written questions to be answered in advance of each Due Diligence Session and the Corporation will provide written or oral responses (the "**Responses**") to such questions and will use its commercially reasonable efforts to have its auditors provide written responses to such questions in advance of the Due Diligence Session;
- (j) will file, or cause to be filed, all forms or undertakings required to be filed by the Corporation in connection with the issue and sale of the Debentures (including a Form 45-106F1) so that the distribution of the Debentures to the Subscribers may lawfully occur without the necessity of filing a prospectus, registration statement or other offering document in Canada or other jurisdictions (but on terms that will permit the Debentures

acquired by the Subscribers to be sold by such Subscribers at any time in the Offering Jurisdictions, subject to applicable hold periods under Applicable Securities Laws). All prescribed fees payable in connection with such filings will be at the sole expense of the Corporation;

- (k) that it will, on or prior to each Closing Date, use its commercially reasonable efforts to deliver or cause to be delivered to the Agent and Agent's Counsel:
  - (i) evidence that all necessary approvals of third parties have been received, other than final approval of the Exchange; and
  - (ii) any other documents requested by the Agent, acting reasonably, including evidence of all necessary approvals;
- (l) one or more favourable legal opinion(s) will be delivered to the Agent on or before each Closing Date in the form set out in Sections 6(a);
- (m) will use its commercially reasonable efforts to remain, and to cause the Subsidiary to remain, a corporation validly subsisting under the laws of its jurisdiction of incorporation, and to be duly licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and to carry on the Business in the ordinary course and in compliance in all material respects with all Applicable Laws, rules and regulations of each such jurisdiction;
- (n) except to the extent that the Corporation participates in a takeover bid, merger, arrangement, amalgamation, liquidation or other similar business combination or sale transaction, will use its commercially reasonable efforts (including, without limitation, making application to the Securities Commissions of each Offering Jurisdiction for all consents, orders and approvals necessary) to (i) maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws of each of the Offering Jurisdictions which have such a concept and will comply with all of its obligations under Applicable Laws until the Survival Limitation Date and (ii) maintain the listing of the Common Shares on the Exchange or such other recognized stock exchange or quotation system as the Agent may approve, acting reasonably, until the Survival Limitation Date;
- (o) will apply the net proceeds from the issue and sale of the Debentures as set forth in the Subscription Agreement;
- (p) will promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Agent may reasonably require from time to time for the purpose of giving effect to the Transaction Documents and the Corporation will use its commercially reasonable efforts to implement to their full extent the provisions, and to satisfy the conditions, of each of the Transaction Documents;
- (q) will not, at any time prior to any Closing of the Offering, halt the trading of the Common Shares on the Exchange without the prior consent of the Agent, except in the normal course prior to the issuance of any material press release or except as otherwise required by any applicable regulatory authority;

- (r) will make available management of the Corporation for meetings with investors as scheduled by the Agent at the discretion of the Agent upon reasonable notice to the Corporation;
- (s) will fulfil or cause to be fulfilled, at or prior to the Closing Time on each Closing Date, each of the conditions applicable to the Corporation set out in Section 6 that are within its control (unless waived by the Agent);
- (t) will ensure that, at the Closing Time on each Closing Date, the Debentures and the Broker Warrants are duly and validly created, authorized and issued and have attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
- (u) will ensure that, at the Closing Time on the First Closing Date, the Finance Fee Shares, if any, are duly and validly issued as fully paid and non-assessable common shares in the capital of the Corporation;
- (v) will ensure that at all times a sufficient number of Unit Shares, Warrants, Warrant Shares, Broker Warrants and Broker Shares are duly and validly allotted and reserved for issuance upon the respective exercise or conversion of the Debentures, the Warrants and the Broker Warrants, as applicable;
- (w) will ensure that upon conversion of the Debentures and payment of the applicable Conversion Price therefor, the Unit Shares and the Warrants are duly and validly issued as fully paid and non-assessable securities in the capital of the Corporation;
- (x) will ensure that, upon exercise of the Warrants and the payment of the Exercise Price therefor, the Warrant Shares are duly and validly issued as fully paid and non-assessable common shares in the capital of the Corporation;
- (y) will ensure that, upon exercise of the Broker Warrants, the Broker Shares are duly and validly issued as fully paid and non-assessable common shares in the capital of the Corporation; and
- (z) that it will use its commercially reasonable best efforts to duly, punctually and faithfully perform all the obligations to be performed by it and all of its covenants and agreements, under and pursuant to the Subscription Agreements.

In addition to the provisions of this Section 3, the Corporation will in good faith discuss with the Agent any circumstance, change, event or fact contemplated in Section 3 which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Agent under this Section 3.

#### **4. Covenants of the Agent**

The Agent agrees that it will, and will require its Selling Firm(s), if any, to agree that such Selling Firm(s) will:

- (a) conduct its activities in connection with the proposed offer and sale of the Debentures in compliance with all Applicable Securities Laws of the Offering Jurisdictions;
- (b) not solicit subscriptions for Debentures, trade in or otherwise do any act in furtherance of

a trade of Debentures outside of the Offering Jurisdictions except upon mutual agreement of the Agent and the Corporation and only if such solicitation, trade or act is in compliance with Applicable Securities Laws in such jurisdiction and does not: (i) obligate the Corporation to take any action to qualify any of its securities or any trade of any of its securities; (ii) obligate the Corporation to establish or maintain any office or director or officer in such jurisdiction; (iii) subject the Corporation to any reporting or other requirement in such jurisdiction if it is not already subject to; or (iv) require the Corporation to execute a general consent to services of process or register to do business in such jurisdiction;

- (c) obtain from each Subscriber an executed Subscription Agreement and all applicable forms required under Applicable Securities Laws of the Offering Jurisdictions or requirements of stock exchanges, including the Exchange, and supplied to the Agent by the Corporation for completion in connection with the distribution of the Debentures; and
- (d) not advertise the proposed offering or sale of the Debentures in printed media of general and regular paid circulation, radio or television or telecommunications (including electronic display) nor provide or make available to prospective purchasers of Debentures any document or material which would constitute an offering memorandum as defined under Applicable Securities Laws of the Offering Jurisdictions.

## **5. Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Agent, and acknowledges that the Agent is relying upon such representations and warranties in connection with the Offering, as follows:

- (a) the Corporation: (i) has been duly incorporated, amalgamated, continued or organized and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization, and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct the Business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; and (ii) where required, has been duly qualified as an extra-provincial or foreign corporation for the transaction of business and is in good standing under the laws of each jurisdiction in which it owns or leases property, or conducts any business;
- (b) other than the Subsidiary, the Corporation has no subsidiaries and the Corporation has no investment in any person. The Subsidiary is the only subsidiary of the Corporation, including with respect to the generation of revenues. Except as disclosed in the Disclosure Record, the Corporation is the direct registered and beneficial owner of all of the issued and outstanding shares of the Subsidiary, in each case free and clear of all Liens or adverse interests whatsoever, and no person, firm, corporation or entity has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Corporation or the Subsidiary of any of the shares or other securities of the Subsidiary;
- (c) the Subsidiary: (i) is duly incorporated and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct the Business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; and (ii) where required, has been duly licensed, qualified or registered as a foreign corporation for the transaction of business and is in good standing under the

laws of each other jurisdiction in which it owns or leases property, or conducts any business and is not precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document. All such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits;

- (d) neither the Corporation nor the Subsidiary has been served with or otherwise received notice of any legal, governmental, regulatory or other proceedings or investigations and there are no legal, governmental, regulatory or other proceedings or investigations (whether or not purportedly on behalf of the Corporation or any Governmental Authority) pending to which the Corporation or the Subsidiary is a party or of which any property or assets of the Corporation or the Subsidiary is the subject and, to the best of the Corporation's knowledge, no such proceedings or investigations have been threatened or contemplated by any Governmental Authority or any other parties;
- (e) neither the Corporation nor the Subsidiary owns any real property. Any real property or building held under lease by the Corporation or the Subsidiary, which is material, individually or in the aggregate, to the Corporation or the Subsidiary, is held by it under valid and subsisting leases enforceable against the respective lessors thereof with such exceptions as are not material, individually or in the aggregate, to the Corporation;
- (f) each of the Corporation and the Subsidiary is the absolute legal and beneficial owner, and has good and valid title to, all of the material property or assets thereof as described in the Disclosure Record free and clear of all Liens and defects of title except such as are disclosed in the Disclosure Record, and (i) no other material property or assets are necessary for the conduct of the Business as currently conducted, (ii) the Corporation has no knowledge of any claim or the basis for any claim that might or could materially and adversely affect the right of the Corporation or the Subsidiary to use, transfer or otherwise exploit such property or assets, and (iii) neither the Corporation nor the Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;
- (g) each of the Corporation and the Subsidiary has performed all of the obligations required to be performed by it prior to the date hereof and is entitled to all benefits under, and is not in default or to its knowledge alleged to be in default in respect of, any of the Material Agreements. All Material Agreements are in good standing and in full force and effect, and no event, condition or occurrence exists that, after notice or lapse of time or both, or otherwise, would constitute a default under or breach of, by the Corporation, any Subsidiary, or any other person, any material obligation, agreement, covenant or condition contained in any of the Material Agreements. To the Corporation's knowledge, there is no dispute between the Corporation or the Subsidiary and any other party under any of the Material Agreements. Neither the Corporation nor the Subsidiary has received any written notice of a dispute in respect of any of the Material Agreements. None of the Material Agreements contain terms under which the execution or performance of this Agreement or the completion of the Offering would give any other contracting party the right to terminate or adversely change the terms thereof or otherwise require the consent of any other person;
- (h) to the knowledge of the Corporation, the other parties have complied with the terms of the Material Agreements and none of the other parties have breached any of the terms of or defaulted under any Material Agreements;

- (i) the Corporation has no intention to terminate any of the Material Agreements and to the knowledge of the Corporation none of the other parties has any intention to terminate any of the Material Agreements;
- (j) the terms of the Material Agreements are consistent in all material respects with the descriptions thereof in the Disclosure Record;
- (k) the Material Agreements are the only contracts that are material to the Corporation or the Subsidiary taken as a whole;
- (l) the Financial Statements:
  - (i) have been prepared in accordance with Applicable Securities Laws and International Financial Reporting Standards, applied on a consistent basis throughout the periods referred to therein, except as otherwise disclosed therein;
  - (ii) present fairly, in all material respects, the financial position and condition of the Corporation and the Subsidiary on a consolidated basis as at the dates thereof and the results of its operations and the changes in its shareholder's equity and cash flows for the periods then ended, and do not contain a misrepresentation; and
  - (iii) to the best of the Corporation's knowledge, have been audited (in the case of the annual financial statements comprising the Financial Statements) by independent public accountants within the meaning of Applicable Securities Laws and the rules of the Canadian Institute of Chartered Accountants;
- (m) the accountants who audited the Financial Statements are independent with respect to the Corporation within the meaning of Applicable Securities Laws and there has not been any reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with the current auditors or any former auditors of the Corporation during the past five financial years;
- (n) there are no material liabilities of the Corporation whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Financial Statements, except for liabilities incurred in the ordinary course of business since September 30, 2019, and which liabilities would not, individually or in the aggregate, have a Material Adverse Effect;
- (o) except as disclosed in the Disclosure Record, neither the Corporation nor the Subsidiary has any outstanding bonds, debentures, mortgages, promissory notes or other Indebtedness, is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes or other Indebtedness, and is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or Indebtedness of any person;
- (p) the audit committee's charter and composition complies with National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators;
- (q) except as disclosed in the Disclosure Record, none of the directors, executive officers or shareholders who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding Common Shares or any known associate or affiliate

of any such person, had or has any material interest, direct or indirect, in any transaction or any proposed transaction (including, without limitation, any loan made to or by any such person) with the Corporation which, as the case may be, materially affects, is material to or will materially affect the Corporation and the Subsidiary on a consolidated basis;

- (r) each of the Corporation and the Subsidiary has duly and on a timely basis filed all foreign, federal, state, provincial and municipal and all other tax returns required to be filed by it, has paid all taxes due and payable by the Corporation and the Subsidiary, respectively (whether or not shown as owing on such tax returns), and has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines or additions thereto due and payable by it or which are claimed by any Governmental Authority to be due and owing, and has withheld and remitted to the appropriate Governmental Authority any applicable withholding taxes, and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Corporation or by the Subsidiary; there are no actions, suits, proceedings, investigations, audits or other claims pending or, to the best of the Corporation's knowledge, threatened against the Corporation or the Subsidiary in respect of taxes, governmental charges or assessments; and there are no matters under dispute with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority;
- (s) there are no liens for taxes on the assets of the Corporation or the Subsidiary, and, to the best of the Corporation's knowledge, there are no audits pending of the tax returns of the Corporation or the Subsidiary (whether federal, state, provincial, local or foreign) and there are no claims which have been or to the Corporation's knowledge may be asserted relating to any such tax returns;
- (t) the Disclosure Record sets forth a true and complete list of all material Intellectual Property owned or used by the Corporation and the Subsidiary, together with the details of any registrations and applications for registration with respect thereto;
- (u) the registrations and applications for registration listed in the Disclosure Record are valid and subsisting, in good standing, and enforceable against third parties and are recorded, maintained and renewed in the name of the Corporation and/or the Subsidiary, in the appropriate registries or government offices to preserve the rights of the Corporation and/or the Subsidiary, thereof and thereto. To the best of the Corporation's knowledge, there are no facts or issues which currently exist with respect to the any patent applications listed in the Disclosure Record that are likely to result in such applications being rejected by the relevant intellectual property office;
- (v) each of the Corporation and the Subsidiary owns, possesses or has sufficient right, title and interest to the Intellectual Property, necessary for the operation, conduct and maintenance of the Business as such Business is currently and has historically been operated, conducted or maintained and the Offering will not impair, alter or limit in any way such ownership or rights;
- (w) the Corporation and the Subsidiary have taken all reasonable steps to protect: (i) their respective rights in and to its owned Intellectual Property, in each case in accordance with industry practice; and (ii) the secrecy, confidentiality and value of any confidential

elements of the Intellectual Property;

- (x) each of the Corporation and the Subsidiary owns and has the exclusive legal and beneficial right, title and interest in and to the Intellectual Property in its own name, free and clear of any Liens, and none of the Intellectual Property has been licensed from or to a third party. For the avoidance of doubt, neither the Corporation nor the Subsidiary are a party to or bound by any contract that limits or impairs its ability to use, sell, transfer, assign or convey, or that otherwise affects the Intellectual Property;
- (y) all of the persons who either alone or in concert with others, developed, invented, improved, adapted, created, discovered, derived, programmed, designed, modified, updated, corrected or maintained any element or combination of elements in the Intellectual Property owned by the Corporation or the Subsidiary are employees, former employees, officers, former officers, directors, former directors, independent contractors, former independent contractors, partners, former partners, and agents of the Corporation and/or the Subsidiary, all of whom have, or as of Closing will have, executed valid and binding written assignments of any and all rights they may have in any element or combination of elements in any Intellectual Property in a form and substance reasonably satisfactory to the Agent;
- (z) none of the employees, former employees, officers, former officers, directors, former directors, independent contractors, former independent contractors, partners former partners, agents and other agents of the Corporation or the Subsidiary has any moral rights (or other similar rights) which have not been waived in any element or combination of elements of the Intellectual Property;
- (aa) neither the Corporation nor the Subsidiary is a party to any action or proceeding, nor, to the best of the Corporation's knowledge, is or has any action or proceeding been threatened that alleges that any current or proposed conduct of the Business (including, without limitation, use or other exploitation of any Intellectual Property Rights by the Corporation, the Subsidiary or any customers, distributors or other licensees) has or will infringe, violate or misappropriate or otherwise conflict with any Intellectual Property Rights of any person;
- (bb) the conduct of the Business by the Corporation and the Subsidiary (including, without limitation, the sale of their respective products and services, or the use or other exploitation of the Intellectual Property by the Corporation, the Subsidiary or any customers, distributors or other licensees thereof) has not infringed, violated, misappropriated or otherwise conflicted with any Intellectual Property Rights of any person; there is no pending or threatened action, suit, proceeding or claim by others that the Corporation or the Subsidiary infringes or otherwise violates (or would infringe or otherwise violate upon commercialization of the Corporation's or the Subsidiary's products or services under development) any Intellectual Property of others, and the Corporation has no knowledge of any facts which form a reasonable basis for any such claim;
- (cc) no element of the Intellectual Property has been developed with the assistance or use of any funding from third parties or third party agencies, including funding from any Governmental Authority, where the Intellectual Property Rights arising from such development have not been assigned to the Corporation or the Subsidiary. Neither the Corporation nor the Subsidiary is or has ever been a member or promoter of, or a contributor to, any industry standards body or similar organization that could compel the Corporation or the Subsidiary to grant or offer to any third party any license or right to the



Intellectual Property or any element thereof;

- (dd) the Disclosure Record contains a complete list of any computer program, operating system, application, system, firmware or software of any nature, whether operational, active, under development or design, non-operational or inactive, including all object code, source code (collectively, "**Software**") owned by, licensed to or used by the Corporation or the Subsidiary, identifying whether such Software is (i) owned by the Corporation or the Subsidiary; (ii) customized for the Corporation or the Subsidiary, the object code and source code of which are licensed for use by the Corporation or the Subsidiary; (iii) customized for the Corporation or the Subsidiary, only the object code of which is licensed to the Corporation or the Subsidiary; or (iv) off-the-shelf Software. The Software does not contain any undisclosed program routine, device or other feature, including viruses, worms, bugs, time locks, Trojan horses or back doors, in each case that is designed to delete, disable, deactivate, interfere with or otherwise harm such Software, and any virus or other intentionally created, undocumented contaminant that may, or may be used to, access, modify, delete, damage or disable any hardware, system or data;
- (ee) each of the Corporation and the Subsidiary has in its possession copies of all source code for all Software owned by the Corporation or the Subsidiary, as applicable. Such source code is fully documented in a manner that a reasonably skilled programmer could understand, modify, compile and otherwise utilize all aspects of the related computer programs without reference to other sources of information. All copies of any Software forming part of the Intellectual Property owned by the Corporation or the Subsidiary have been distributed solely in object code form. There has been no disclosure of such programs other than through licensing of object code versions, and no person has the right, actual or contingent, to use or access any source code of the Corporation or the Subsidiary. Each object code copy so distributed is the subject of a valid, existing and enforceable license agreement;
- (ff) except as disclosed in the Disclosure Record, none of the Software owned by, licensed to or used by the Corporation or the Subsidiary contains any open source, "copyleft" or community source code, including any libraries or code licensed under the "General Public License", "Lesser General Public License" or any other license agreement or arrangement obliging the Corporation or the Subsidiary, as applicable, to make source code publicly available, whether or not approved by the "Open Source Initiative";
- (gg) the Acquisition was completed in accordance with Applicable Laws and the policies, rules and regulations of the Exchange, and all approvals, permits, consents, orders or other Authorizations required under Applicable Laws to permit the Acquisition were obtained by the Corporation and the Subsidiary;
- (hh) the Corporation is a reporting issuer not in default under the Applicable Securities Laws of each Offering Jurisdiction where it is a reporting issuer and is not on the list of defaulting issuers maintained by any Securities Commission in the Offering Jurisdiction as at the date hereof;
- (ii) the Corporation is in compliance in all material respects with its timely and continuous disclosure obligations under the Applicable Securities Laws of each of the Offering Jurisdictions and the policies, rules and regulations of the Exchange and without limiting the generality of the foregoing, there has not occurred any material change (actual, anticipated, contemplated or threatened) in the business, assets (including intangible

assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, assets, properties, condition (financial or otherwise), results of operations or control of the Corporation and the Subsidiary taken as a whole since January 1, 2017 which has not been set forth in the Disclosure Record or otherwise publicly disclosed on a non-confidential basis, and the Corporation has not filed any confidential material change reports since January 1, 2017 which remains confidential as at the date hereof. To the knowledge of the Corporation, no trades in the Corporation's securities have been made by persons having knowledge of material non-public information regarding the Corporation;

- (jj) to the best of the Corporation's knowledge, no agreement among or involving insiders of the Corporation is in force or effect which in any manner affects the voting or control of any of the securities of the Corporation or the Subsidiary;
- (kk) the Corporation is authorized to issue an unlimited number of Common Shares, of which 81,027,353 Common Shares were issued and outstanding as of the date hereof, and all such issued Common Shares are validly issued and outstanding, and no person, firm or corporation has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option or privilege (whether pre-emptive or contractual), for the issue or allotment of any unissued shares in the capital of the Corporation or the Subsidiary or any other security convertible into or exchangeable for any such shares, or to require the Corporation or the Subsidiary to purchase, redeem or otherwise acquire any of the outstanding securities in the capital of the Corporation or the Subsidiary, except for:
  - (i) 5,705,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.30 per Common Share until five years from the date of grant;
  - (ii) 25,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.50 per Common Share until three years from the date of grant;
  - (iii) 300,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.325 per Common Share until three years from the date of grant;
  - (iv) 200,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.60 per Common Share until three years from the date of grant;
  - (v) 75,000 stock options issued in accordance with the terms and conditions of the Stock Option Plan each of which is exercisable into one Common Share at an exercise price of \$0.41 per Common Share until three years from the date of grant;
  - (vi) 6,407,087 common share purchase warrants each of which is exercisable into one Common Share at an exercise price of \$0.40 per Common Share until February 27, 2020;
  - (vii) 266,286 common share purchase warrants each of which is exercisable into one Common Share at an exercise price of \$0.35 per Common Share until August 29,

2021;

- (viii) 386,513 common share purchase warrants each of which is exercisable into one Common Share at an exercise price of \$0.35 per Common Share until September 19, 2021;
- (ix) 1,107,139 common share purchase warrants each of which is exercisable into one Common Share at an exercise price of \$0.60 per Common Share until September 19, 2021;
- (x) 95,543 common share purchase warrants each of which is exercisable into one Common Share at an exercise price of \$0.35 per Common Share until October 22, 2021;
- (xi) 500,000 common share purchase warrants each of which is exercisable into one Common Share at an exercise price of \$0.60 per Common Share until October 22, 2021;
- (xii) up to 2,000,000 performance shares issuable to certain officers and senior management of the Corporation; and
- (xiii) The following aggregate principal amounts of Debentures issued pursuant to the Prior Debenture Offerings:
  - (A) \$745,500 convertible into Units at any time before July 18, 2021;
  - (B) \$1,165,000 convertible into Units at any time before August 29, 2021;
  - (C) \$1,857,120 convertible into Units at any time before September 19, 2021; and
  - (D) \$1,095,597.50 convertible into Units at any time before October 23, 2021;

and except as otherwise disclosed in the Disclosure Record or pursuant to agreements described in the Disclosure Record and pursuant to the Units and the Broker Warrants;

- (ll) the Stock Option Plan disclosed in the Disclosure Record is the current stock option plan of the Corporation and has not been amended, varied or modified;
- (mm) the execution and delivery of each of the Transaction Documents and the performance of the transactions contemplated hereby and thereby (including the issuance, sale and delivery of the Debentures to be issued and sold by the Corporation at each Closing Time, the issuance, sale and delivery of the Unit Shares and Warrants comprising the Units upon conversion of the Debentures, the issuance, sale and delivery of the Warrant Shares upon exercise of the Warrants, the issuance, sale and delivery of the Broker Warrants, the issuance, sale and delivery of the Broker Shares upon exercise of the Broker Warrants and the issuance, sale and delivery of the Finance Fee Shares, if any, have been duly authorized by all necessary corporate action of the Corporation and each of the Transaction Documents has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, provided that enforcement hereof may be limited by laws

affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction and that the provisions relating to indemnity, contribution, severability and waiver of contribution may be limited under Applicable Law (the "**Qualification**");

- (nn) the execution and delivery of each of the Transaction Documents and the performance of the transactions contemplated hereby and thereby by the Corporation (including the issuance, sale and delivery of the Debentures to be issued and sold by the Corporation at each Closing Time, the issuance, sale and delivery of the Unit Shares and Warrants comprising the Units, the issuance, sale and delivery of the Warrant Shares upon exercise of the Warrants, the issuance, sale and delivery of the Broker Warrants, the issuance, sale and delivery of the Broker Shares upon exercise of the Broker Warrants and the issuance sale and delivery of the Finance Fee Shares, if any, do not and will not:
  - (i) require the consent, approval, Authorization, registration or qualification of or with any Governmental Authority, stock exchange, Securities Commission or other third party, except such as have been obtained or such as may be required (and where required prior to Closing will be obtained by the Corporation prior to the applicable Closing Time) under Applicable Securities Laws or stock exchange regulations; or
  - (ii) result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:
    - (A) any of the terms, conditions or provisions of the notice of articles, articles, by laws or resolutions of the shareholders, directors or any committee of directors of the Corporation or the Subsidiary or any material indenture, agreement or instrument to which the Corporation or the Subsidiary is a party or by which it or they are contractually bound; or
    - (B) any statute, rule, regulation or law applicable to the Corporation or the Subsidiary, including, without limitation, the Applicable Securities Laws, or any judgment, order or decree of any Governmental Authority or court having jurisdiction over the Corporation; or
  - (iii) result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with any material indenture, agreement or instrument to which the Corporation or the Subsidiary is a party, nor give a party the right to terminate any such indenture, agreement or instrument by virtue of the application of terms, provisions or conditions in such indenture, agreement or instrument, in each case except where such breach or default would not constitute a Material Adverse Effect;
- (oo) the Debentures have been duly created and authorized for issuance and, upon issuance, will be duly and validly issued and outstanding as fully paid securities of the Corporation. The Corporation has the corporate power, capacity and authority to issue and sell the Debentures and the Debentures will not be issued in violation or, or subject to, any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;

- (pp) the Unit Shares and the Warrants comprising the Units have been duly created, authorized, reserved and allotted for issuance and, upon conversion of the Debentures and payment of the Conversion Price will be duly and validly issued and outstanding as fully paid securities of the Corporation. The Corporation has the corporate power, capacity and authority to issue and sell the Unit Shares and the Warrants and, at the time of issuance thereof, the Unit Shares and the Warrants will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (qq) the Warrant Shares have been duly created, authorized, reserved and allotted for issuance, and, upon the exercise of the Warrants and payment of the Exercise Price will be duly and validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation. The Corporation has the corporate power, capacity and authority to issue the Warrant Shares and, at the time of issuance thereof, the Warrant Shares will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (rr) the Broker Warrants have been duly created and authorized for issuance and, upon issuance, will be validly issued and outstanding as fully paid securities of the Corporation. The Corporation has the corporate power, capacity and authority to issue and sell the Broker Warrants and the Broker Warrants will not be issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (ss) the Broker Shares have been duly created, authorized, reserved and allotted for issuance, and, upon the exercise of the Broker Warrants and payment of the exercise price therefor, the Broker Shares will be duly and validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation. The Corporation has the corporate power, capacity and authority to issue the Broker Shares and, at the time of issuance thereof, the Broker Shares will not have been issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (tt) the Finance Fee Shares, if any, upon issuance, will be duly and validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation. The Corporation has the corporate power, capacity and authority to issue the Finance Fee Shares and the Finance Fee Shares will not be issued in violation of or subject to any pre-emptive or contractual rights to purchase securities issued or granted by the Corporation;
- (uu) there is no legislation or governmental regulation which materially and adversely affects the Business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, assets, properties, condition (financial or otherwise) or results of operations of the Corporation or the Subsidiary;
- (vv) no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares, any of the Units, the Broker Warrants, the Warrants, the Offered Shares, or any other security of the Corporation has been issued or made by any Securities Commission or stock exchange or any other regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the best of the Corporation's knowledge, contemplated or threatened by any such

authority or under any Applicable Securities Laws;

- (ww) except for the Agent as provided herein, there is no person, firm or corporation acting for the Corporation entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder;
- (xx) each of the documents forming the Disclosure Record filed since October 25, 2018 by or on behalf of the Corporation with any Securities Commission or the Exchange, did not contain a misrepresentation, determined as at the date of filing, which has not been corrected by the filing of a subsequent document which forms part of the Disclosure Record;
- (yy) based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (together, the "**Tax Act**") in force on the date hereof and specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and subject to the provisions of any particular plan, the Unit Shares, the Warrants and the Warrant Shares would, if issued on the date hereof, constitute qualified investments for the purposes of the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan or a tax-free savings accounts, each as defined in the Tax Act, provided that at that time:
  - (i) in the case of the Warrants, the Warrant Shares are listed on a on a designated stock exchange in Canada (which includes the Exchange) or the Corporation is otherwise a "public corporation" for the purposes of the Tax Act and neither the Corporation nor any person with whom the Corporation does not deal at arm's length is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the applicable plan; and
  - (ii) in the case of the Unit Shares or the Warrant Shares, as applicable, the Unit Shares or the Warrant Shares, as the case may be, are listed on a on a designated stock exchange in Canada (which includes the Exchange) or the Corporation is otherwise a "public corporation" for the purposes of the Tax Act.
- (zz) the minute books and records of the Corporation and the Subsidiary made available to the Agent's Counsel in connection with its due diligence investigation of the Corporation for the periods from incorporation to the date of examination thereof are all of the minute books and records of the Corporation or the Subsidiary, as applicable, and contain copies of and reflect the contents of all proceedings and meetings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of the Corporation or the Subsidiary, as applicable, to the date of review of such corporate records and minute books;
- (aaa) with respect to each premises which is material to the Corporation or the Subsidiary and which the Corporation or the Subsidiary occupies as tenant (the "**Leased Premises**"), the Corporation or the Subsidiary (as applicable) occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and neither the Corporation nor the Subsidiary is in breach or violation of or in default under any of the leases pursuant to which the Corporation or the Subsidiary (as applicable) occupies the Leased Premises and to the best of the Corporation's knowledge, such leases are in good standing and in full force and effect;

- (bbb) no material labour dispute with current and former employees of the Corporation or the Subsidiary exists or is imminent and the Corporation has no knowledge of any existing, threatened or imminent labour disturbance by the employees of the Corporation or the Subsidiary;
- (ccc) except as disclosed in the Disclosure Record, the Corporation and the Subsidiary are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged, and the Corporation has no reason to believe that it will not be able to renew the existing insurance coverage of the Corporation and the Subsidiary as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue the Business at a cost that would not, individually or in the aggregate, have a Material Adverse Effect;
- (ddd) except in compliance with Applicable Laws, neither the Corporation nor the Subsidiary has used any of its property or facilities to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances ("**Hazardous Substances**"); except in compliance with Applicable Laws, neither the Corporation nor the Subsidiary has caused or permitted the release, in any manner whatsoever, of any Hazardous Substances on or from any of its properties or assets or any such release on or from a facility owned or operated by third parties but with respect to which the Corporation or the Subsidiary is or may reasonably be alleged to have material liability or has received any notice that it is potentially responsible for a federal, provincial, municipal or local clean-up site or corrective action under any Applicable Laws, statutes, ordinances, by-laws, regulations or any orders, directions or decisions rendered by any ministry, department or administrative regulatory agency relating to the Environmental Laws (as defined below) or otherwise relating to or dealing with Hazardous Substances;
- (eee) to the best of the Corporation's knowledge, after due inquiry, each of the Corporation and the Subsidiary: (i) are in material compliance with any and all applicable foreign, federal, provincial, state and local laws and regulations relating to the protection of human health and safety, the environment or Hazardous Substances ("**Environmental Laws**"); (ii) have received all material permits, licenses or other approvals required of any of them under applicable Environmental Laws to conduct the Business as presently conducted; and (iii) are in material compliance with all terms and conditions of any such permit, license or approval;
- (fff) neither the Corporation nor the Subsidiary has or maintains any benefit, insurance, retirement savings or other similar plan for employees or former employees of the Corporation or the Subsidiary;
- (ggg) the forms and terms of the certificates representing the Common Shares have been approved and adopted by the board of directors of the Corporation and the form and terms of the certificate representing the Common Shares do not and will not conflict with any Applicable Laws or the rules of the Exchange;
- (hhh) the forms and terms of the Debenture Certificates and the Warrant Certificates have been approved and adopted by the board of directors of the Corporation and the form and terms of the Debenture Certificates and the Warrant Certificates do not and will not conflict with any Applicable Laws or the rules of the Exchange;

- (iii) the forms and terms of the certificates representing the Broker Warrants have been approved and adopted by the board of directors of the Corporation do not and will not conflict with any Applicable Laws;
- (jjj) Odyssey Trust Corporation, at its principal offices in Vancouver, British Columbia has been duly appointed as the registrar and transfer agent for the Common Shares;
- (kkk) the Business and material property and assets of the Corporation and the Subsidiary conform in all material respects to the descriptions thereof contained in the Disclosure Record;
- (lll) (i) each of the Corporation and the Subsidiary possesses such permits, certificates, licences, approvals, registrations, qualifications, consents and other Authorizations, (collectively, "**Governmental Licences**"), issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to conduct the Business now operated by it in all jurisdictions in which it carries on business, that are material to the conduct of the Business (as such business is currently conducted); (ii) the Corporation and the Subsidiary is in material compliance with the terms and conditions of all such Governmental Licences; (iii) all of such Governmental Licences are in good standing, valid and in full force and effect; (iv) neither the Corporation nor the Subsidiary has received any notice of proceedings relating to the revocation, suspension, termination or modification of any such Governmental Licences; (v) neither the Corporation nor the Subsidiary is in material default with respect to filings to be effected or conditions to be fulfilled in order to maintain such Governmental Licences in good standing; (vi) none of such Governmental Licences contains any term, provision, condition or limitation which has or would reasonably be expected to affect or restrict in any material respect the operations or the Business as now carried on or proposed to be carried on;
- (mmm) all forward-looking information and statements of the Corporation contained in the Disclosure Record, including any forecasts and estimates, expressions of opinion, intention and expectation have been based on assumptions that are reasonable in the circumstances, and the Corporation has updated such forward-looking information and statements as required by and in compliance with Applicable Securities Laws;
- (nnn) the statistical, industry and market related data included in the Disclosure Record are derived from sources which the Corporation reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;
- (ooo) all information which has been prepared by the Corporation relating to the Corporation or the Subsidiary and the Business, property and liabilities thereof and provided or made available to the Agent, and all financial, marketing, sales and operational information provided to the Agent is, as of the date of such information, true and correct in all material respects, taken as whole, and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (ppp) (i) the Responses given by the Corporation and its officers at all Due Diligence Sessions conducted by the Agent in connection with the Offering, as they relate to matters of fact, have been and will continue to be true and correct in all material respects as at the time such Responses have been or are given, as the case may be, and such Responses taken as a whole have not and will not omit any fact or information necessary to make any of the Responses not misleading in light of the circumstances in which such Responses were



given or will be given, as the case may be; and (ii) where the Responses reflect the opinion or view of the Corporation or its officers (including Responses or portions of such Responses which are forward-looking or otherwise relate to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable at the time they are given;

- (qqq) the Corporation is not insolvent (within the meaning of Applicable Laws), is able to pay its liabilities as they become due and has sufficient working capital to fund its operations for 12 months following the Closing Date;
- (rrr) the Corporation has not withheld from the Agent any adverse material facts relating to the Corporation, the Subsidiary or the Offering;
- (sss) to the best of the Corporation's knowledge, except as disclosed in the Disclosure Record, no person or group of persons who are "joint actors" (within the meaning of Applicable Securities Laws) legally or beneficially owns, or has control or direction over, 10% or more of the outstanding Common Shares;
- (ttt) there is no person or persons who are "promoter(s)" (within the meaning of Applicable Securities Laws) of the Corporation;
- (uuu) to the best of the Corporation's knowledge, the Corporation has not sold or issued its securities to any persons who had knowledge of material non-public information regarding the Corporation;
- (vvv) neither the Corporation nor the Subsidiary has, nor, to the best of the Corporation's knowledge, has any director, officer, employee, consultant, representative or agent thereof: (i) violated any anti-bribery or anti-corruption laws applicable to the Corporation or the Subsidiary, including but not limited to the *United States Foreign Corrupt Practices Act of 1977* and *Corruption of Foreign Public Officials Act (Canada)*; (ii) 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, that goes beyond what is reasonable and customary and/or of modest value to any Government Official, whether directly or through any other person, for the purpose of: (A) influencing any act or decision of a Government Official in his or her official capacity; (B) inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; (C) securing any improper advantage; (D) inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or (E) assisting any representative of the Corporation or the Subsidiary in obtaining or retaining business for or with, or directing business to, any person;
- (www) the operations of the Corporation and the Subsidiary are, and, to the best of the Corporation's knowledge, have been conducted at all times, in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* and *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "PATRIOT Act")*, as applicable, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding

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

- (xxx) the Corporation and the Subsidiary have not been and are not currently subject to, nor to the best of the Corporation's knowledge, has any director, officer, agent, employee, affiliate or Person acting on behalf of the Corporation or the Subsidiary been or is currently subject to any United States sanctions administered by the OFAC; and the Corporation will not directly or indirectly use any proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to the Corporation or to any affiliated entity, joint venture partner or other Person, to finance any investments in, or make any payments to, any country or Person targeted by any of the sanctions of the United States administered by OFAC;
- (yyy) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Subsidiary which are required to be disclosed and are not disclosed or reflected in the Financial Statements;
- (zzz) The Corporation and the Subsidiary has made back-ups of all material software and databases used by it and maintains such back-ups at a secure off-site location. The Corporation and the Subsidiary have taken all reasonable steps (i) to maintain the integrity and security of its systems and network infrastructure in connection with their Business, and (ii) to protect the information technology and communication systems used in connection with their Business from contamination, corruption, computer viruses, firewall breaches, sabotage, hacking or other software routines or hardware components that would permit unauthorized access or the unauthorized disablement, theft or erasure of its information technology or communication systems or software. The Corporation and the Subsidiary have disaster recovery and security plans and procedures in place and there have been no material unauthorized intrusions into, breaches of the security of, or unauthorized disablement, theft or erasure of, the information technology, communication systems or software used in connection with their Business; and
- (aaaa) Each of the Corporation and the Subsidiary have security measures and safeguards in place to protect personal information it collects from illegal or unauthorized access or use by its personnel or third parties or access or use by its personnel or third parties in a manner that violates the privacy rights of third parties. The Corporation and the Subsidiary have complied, in all material respects, with all applicable privacy and consumer protection legislation and neither has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected by privacy laws, whether collected directly or from third parties, in an unlawful manner. The Corporation and the Subsidiary have taken all reasonable steps to protect personal information against loss or theft and against unauthorized access, copying, use, modification, disclosure or other misuse.

It is further agreed by the Corporation that all representations and warranties contained in this Section 5 made by the Corporation to the Agent will also be deemed to be made for the benefit of the Subscribers as if the Subscribers were also parties hereto for such purpose.

## 6. Conditions of Closing

The obligation of the Agent hereunder and of the Subscribers to purchase the Debentures at the Closing Time on each Closing Date will be subject to the following:

- (a) the Agent will receive at the Closing Time a legal opinion addressed to the Agent and Agent's Counsel dated and delivered the Closing Date from the Corporation's counsel, McMillan LLP, and from local counsel (in respect of matters governed by laws of the Offering Jurisdiction where the Corporation's counsel is not qualified to practice), in each case in form and substance satisfactory to the Agent and Agent's Counsel, acting reasonably, with respect to the following matters:
  - (i) each of the Corporation and the Subsidiary is incorporated and validly existing under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, as the case may be, and has all requisite corporate power and capacity to carry on the Business as now conducted and to own, lease and operate its property and assets;
  - (ii) as to the authorized and issued capital of the Corporation and the Subsidiary, and with respect to the Subsidiary the ownership thereof;
  - (iii) the Debentures have been duly and validly created, authorized and issued and are outstanding as fully paid securities of the Corporation;
  - (iv) the Unit Shares comprising the Units have been validly allotted and reserved for issuance and, upon the issue thereof upon conversion of the Debentures in accordance with the terms of the Debenture Certificates will be validly issued and outstanding as fully paid and non-assessable common shares in the capital of the Corporation;
  - (v) the Warrants comprising the Units have been validly authorized, created and reserved for issuance and, upon the issue thereof upon conversion of the Debentures in accordance with the terms of the Debenture Certificates will be validly issued and outstanding as fully paid and non-assessable securities in the capital of the Corporation;
  - (vi) the Warrant Shares underlying the Warrants have been validly allotted and reserved for issuance and, upon the issue thereof upon the exercise of the Warrants in accordance with the terms of the Warrant Certificate will be validly issued and outstanding as fully paid and non-assessable common shares in the capital of the Corporation;
  - (vii) the Broker Warrants have been validly created, authorized and issued as fully paid securities of the Corporation;
  - (viii) the Broker Shares underlying the Broker Warrants have been validly allotted and reserved for issuance and, upon the issue thereof upon the exercise of the Broker Warrants in accordance with the terms of the Broker Warrant Certificate, will be validly issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation;

- (ix) the Finance Fee Shares, if any, have been validly issued as fully paid and non-assessable common shares of the Corporation;
- (x) the form and terms of the (i) definitive certificate representing the Common Shares (ii) the Debenture Certificates and (iii) the Warrant Certificates have been approved by the directors of the Corporation and comply in all material respects with the rules of the Exchange and the *Business Corporations Act* (British Columbia);
- (xi) the Corporation has all necessary corporate power and capacity: (i) to execute and deliver the Transaction Documents and perform its obligations thereunder; (ii) to create, offer, issue and sell the Debentures; (iii) to create and reserve for issuance the Warrants upon conversion of the Debentures; (iv) to allot and reserve for issuance the Unit Shares upon conversion of the Debentures; (v) to create, offer, issue and sell the Broker Warrants; (vi) to allot and reserve for issuance the Warrant Shares and the Broker Shares issuable upon conversion or exercise, as applicable, of the Warrants and Broker Warrants; and (vii) to offer, issue and sell the Finance Fee Shares, if any;
- (xii) the Corporation has taken all necessary corporate action to authorize the execution and delivery of the Transaction Documents and the performance of its obligations under the Transaction Documents, including the creation, offering, issue, sale and delivery of the Debentures and the Broker Warrants; the creation, allotment, reservation for issuance and issue of the Unit Shares and the Warrants upon conversion of the Debenture; the creation, allotment, reservation for issuance and issue of the Warrant Shares and the Broker Shares issuable upon exercise of the Warrants and the Broker Warrants, respectively; and the creation, offering, issue and sale of the Finance Fee Shares, if any;
- (xiii) each of the Transaction Documents constitutes a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms, subject to the Qualification;
- (xiv) the execution and delivery of the Transaction Documents and the fulfillment of the terms thereof, the creation, offer, issue and sale of the Debentures, the creation, offer, issue and sale of the Unit Shares and the Warrants upon conversion of the Debentures and payment of the Conversion Price therefor, the creation, offer, issue and sale of the Warrant Shares upon the exercise of the Warrants and payment of the Exercise Price therefor, the creation, offer, issue and sale of the Broker Warrants, the creation, offer, issue and sale of the Broker Shares upon the exercise of the Broker Warrants, the creation, offer, issue and sale of the Finance Fee Shares, if any, and the consummation of the transactions contemplated by the Transaction Documents, do not conflict with or result in a breach of (whether after notice or lapse of time or both) or constitute a default under any of the terms, conditions or provisions of the notice of articles or articles of the Corporation or resolutions of the shareholders or the board of directors (or any committee thereof) of the Corporation or any laws of the Province of British Columbia or federal laws of Canada applicable therein;
- (xv) Odyssey Trust Corporation is the duly appointed registrar and transfer agent for the Common Shares;

- (xvi) the issuance and sale by the Corporation of the Debentures to the Subscribers in the Offering Jurisdictions in accordance with the Subscription Agreements is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed (other than specified forms accompanied by requisite filing fees), no proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance and sale;
- (xvii) the issuance and sale of the Unit Shares and the Warrants to holders of the Debentures pursuant to and in accordance with the terms of the Debenture Certificates, is exempt from prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents, order or Authorization obtained under the Applicable Securities Laws to permit such issuance;
- (xviii) the issuance and sale of the Warrant Shares to holders of Warrants pursuant to and in accordance with the terms of the Warrant Certificate, is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance;
- (xix) the issuance and sale by the Corporation of the Broker Warrants to the Agent is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed (other than specified forms accompanied by requisite filing fees), no proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance and sale;
- (xx) the issuance of the Broker Shares upon the exercise of the Broker Warrants is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance;
- (xxi) the issuance and sale by the Corporation of the Finance Fee Shares, if any, to the Agent is exempt from the prospectus requirements of Applicable Securities Laws and no prospectus or other documents are required to be filed (other than specified forms accompanied by requisite filing fees), no proceedings taken or approvals, permits, consents, orders or Authorizations obtained under the Applicable Securities Laws to permit such issuance and sale;
- (xxii) that no other documents will be required to be filed, proceedings taken or approvals, permits, consents or Authorizations obtained under the Applicable Securities Laws in connection with the first trade of the Unit Shares, the Warrants, the Warrant Shares, the Broker Warrants or the Broker Shares provided that four months and one day have lapsed since the Closing Date, subject to the usual qualifications;
- (xxiii) for the purposes of the Tax Act, as in force on the date hereof and including all specific proposals to amend the Tax Act publicly announced by or on behalf of the

Minister of Finance (Canada) prior to the date hereof, the Unit Shares, the Warrants, and the Warrant Shares will be qualified investments, if issued at the Closing Time, for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act;

- (xxiv) the Corporation is a "reporting issuer", or its equivalent, in the provinces of British Columbia, Alberta, Saskatchewan and Ontario, and it is not listed as in default of any requirement of the Applicable Securities Laws in any of such provinces which maintain such a list; and
- (xxv) as to all other legal matters reasonably requested by Agent's Counsel prior to the Closing Time.

In connection with such opinions, counsel to the Corporation may rely on the opinions of local counsel in the Offering Jurisdictions acceptable to Agent's Counsel, acting reasonably, as to the distribution of securities contemplated by this Section 6(a) or opinions may be given directly by local counsel of the Corporation with respect to those items and as to other matters governed by the laws of jurisdictions other than the province or provinces in which the Corporation's Canadian counsel are qualified to practice and may rely, to the extent appropriate in the circumstances and only as to matters of fact, on certificates of officers of the Corporation and others;

- (b) the Agent will have received a certificate dated the Closing Date addressed to the Agent and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation or such other senior officer(s) of the Corporation as may be acceptable to the Agent, in form and content satisfactory to Agent's Counsel, acting reasonably, with respect to:
  - (i) the notice of articles and articles of the Corporation;
  - (ii) the resolutions of the Corporation's board of directors relevant to the creation, offer, issue and sale of the Debentures, the Warrants, the Broker Warrants and the Offered Shares and the authorization of this Agreement and the other Transaction Documents; and
  - (iii) the incumbency and signatures of signing officers of the Corporation;
- (c) the Agent will have received certificates dated the Closing Date addressed to the Agent and signed by the Chief Executive Officer of the Corporation and the Chief Financial Officer of the Corporation, or such other senior officer(s) of the Corporation as may be acceptable to the Agent, in form and content satisfactory to Agent's Counsel, acting reasonably, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiries, to the effect that:
  - (i) the Corporation has complied in all material respects with all the covenants and satisfied all the terms and conditions of this Agreement and the other Transaction Documents on its part to be complied with and satisfied at or prior to the Closing Time;
  - (ii) the representations and warranties of the Corporation contained herein are true and

correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) as at the Closing Time with the same force and effect as if made on and as at the Closing Time after giving effect to the transactions contemplated hereby;

- (iii) no order, ruling or determination having the effect of ceasing the trading of the Common Shares or suspending the offering or sale of the Debentures or any of the Corporation's other securities has been issued and no proceedings for such purpose have been instituted or, to the knowledge of such persons, are pending, contemplated or threatened;
  - (iv) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Disclosure Record which fact or change is, or may be, of such a nature as to render any statement in the Disclosure Record misleading or untrue in any material respect or which would result in a misrepresentation in the Disclosure Record or which would result in the Disclosure Record not complying with Applicable Securities Laws; and
  - (v) such other matters as the Agent may reasonably request prior to the Closing Time;
- (d) the Agent will have received (i) a Subscription Agreement from each Subscriber accepted by the Corporation; (ii) the Debenture Certificates; and (iii) the Warrant Certificates, each in a form acceptable to the Agent and Agent's Counsel, acting reasonably, executed by the Corporation;
  - (e) the representations and warranties of the Corporation contained in this Agreement will be true and correct in all material respects (or, in the case of any representation or warranty containing a materiality or Material Adverse Effect qualification, in all respects) at and as of the Closing Time on each Closing Date, as if such representations and warranties were made at and as of such time and all agreements, covenants and conditions required by this Agreement to be performed, complied with or satisfied by the Corporation will have been performed, complied with or satisfied prior to that time;
  - (f) the absence of any misrepresentations in the Disclosure Record or undisclosed material change or material fact relating to the Corporation or the Debentures, the Warrants, the Broker Warrants or the Offered Shares;
  - (g) the Agent will have completed its due diligence review of the Corporation and the Subsidiary to its satisfaction;
  - (h) the Agent will have received a certificate from Odyssey Trust Corporation as to the number of Common Shares issued and outstanding as at the date immediately prior to the Closing Date; and
  - (i) the Agent will have received such other certificates, opinions, agreements or closing documents in form and substance reasonably satisfactory to the Agent as the Agent may reasonably request prior to the Closing Time.

## **7. Closing**

The Closing will be completed at the Closing Time on each Closing Date and by way of electronic closing

in which the closing documentation will be delivered by electronic mail exchange of signature pages in pdf or functionally equivalent electronic format which delivery will be effective without any further physical exchange of original or copies of originals or by such other means as the Corporation and the Agent may agree in writing, other than the delivery of the original certificates referred to in (c) below.

At the Closing Time the Agent will deliver to the Corporation:

- (a) all completed Subscription Agreements, including all appendices, schedules and exhibits thereto; and
- (b) any other forms required under Applicable Securities Laws of the Offering Jurisdictions or the Exchange,

against delivery by the Corporation to the Agent, or as directed by the Agent, of:

- (c) one or more original certificates in definitive form representing each of the Debentures, the Broker Warrants and, if applicable, the Finance Fee Shares, and (ii) all further documentation as may be contemplated in this Agreement or as Agent's Counsel may reasonably require; against payment by the Agent to the Corporation of the applicable aggregate purchase price for the Debentures being issued and sold under this Agreement, on such Closing Date, net of the Cash Commission and the Finance Fee if payable in cash, and the Agent's expenses contemplated in Section 9 of this Agreement, by certified cheque, bank draft or wire transfer payable to or as directed by the Corporation not less than 48 hours prior to the Closing Time; and
- (d) such further documentation as may be contemplated by this Agreement or that may be reasonably requested by Agent's Counsel.

The Corporation will make all necessary arrangements for the exchange of any such definitive certificates or deposit of such securities, on the date of delivery, at the principal offices of the Agent in the City of Toronto for certificates representing the Broker Warrants in such amounts and registered in such names as will be designated by the Agent not less than 48 hours prior to the Closing Time. The Corporation will pay all fees and expenses payable to or incurred by the registrar of the Corporation in connection with the preparation, delivery, certification and exchange of any definitive certificates contemplated by this Section 7 and the fees and expenses payable to or incurred by the registrar of the Corporation in connection with such additional transfers required in the course of the distribution of the Debentures and the Broker Warrants, which fees and expenses may be deducted by the Agent from the aggregate gross proceeds of the Offering.

## 8. Agent's Compensation

In consideration of the Agent agreeing to act as agent to find Subscribers of the Debentures on a commercially reasonable efforts private placement basis, the Corporation agrees to pay to the Agent at the Closing Time (as defined below) on each Closing Date:

- (a) an aggregate cash fee equal to 8.0% (or 4.0% in the case of subscribers identified on the President's List) of the aggregate gross proceeds to the Corporation from the Offering on the applicable Closing Date, respectively (the "**Cash Commission**");
- (b) broker warrants (each, a "**Broker Warrant**" and collectively, the "**Broker Warrants**") exercisable to purchase such number of Common Shares (each, a "**Broker Warrant**");



**Share**" and collectively, the "**Broker Warrant Shares**") equal to 8.0% (or 4.0% in the case of subscribers identified on the President's List) of the number of Units that the aggregate principal amount of Debentures sold on the applicable Closing Date are convertible into at the conversion price of \$0.30 per Unit, at an exercise price \$0.30 per Broker Share for a period of 24 months following the date of issuance of the Broker Warrants; and

- (c) a corporate finance work fee (the "**Finance Fee**") equal to 3.0% of the aggregate gross proceeds from the sale of the Debentures sold under the Offering on the applicable Closing Date, payable in cash or Common Shares at a deemed price of \$0.30 per Common Share ("**Finance Fee Shares**"), at the option of the Corporation.

All amounts payable to the Agent hereunder are exclusive of any applicable goods and services tax, provincial sales tax, or other applicable value-added tax.

## **9. Fees and Expenses**

The Corporation will be responsible for all reasonable expenses related to the Offering, whether or not it is completed, including, but not limited to: fees and disbursements of the Corporation's legal counsel; fees and disbursements of the Agent's Counsel up to a maximum of C\$45,000 (excluding applicable taxes and disbursements); fees and disbursements of accountants and auditors; fees and disbursements of other applicable experts; expenses related to road-shows and marketing activities; printing costs; filing fees; stock exchange fees; out-of-pocket expenses of the Agent, including, but not limited to, its travel expenses in connection with due diligence and marketing activities; and taxes on all of the foregoing.

For greater certainty, the Corporation covenants and agrees that the reasonable fees and disbursements of Agent's Counsel do not require its prior consent and it will be solely responsible for all reasonable fees and disbursements invoiced by Agent's Counsel plus all applicable taxes and disbursements. All fees and expenses incurred by the Agent or on its behalf will be payable by the Corporation immediately upon receiving an invoice from the Agent.

## **10. Accuracy of Representations and Warranties**

All representations, warranties, covenants, terms and conditions of this Agreement will be construed as conditions, and any material breach or failure to comply with any such representation, warranty, covenant, term or condition will entitle the Agent to terminate its obligation to distribute the Debentures by written notice to that effect given to the Corporation prior to the Closing Date. The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of its rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension will be binding on the Agent only if the same is in writing.

## **11. Termination by Agent**

The Agent may terminate its obligations hereunder, without any liability on the Agent's part, by written notice to the Corporation, in the event that after the date hereof and at or prior to the Closing Time on any Closing Date:

- (a) any order to cease or suspend trading in any securities of the Corporation, or prohibiting or restricting the distribution of any of the Securities is made, or proceedings are

announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the Exchange or by any other competent authority, and has not been rescinded, revoked or withdrawn;

- (b) any inquiry, action, suit, investigation or proceeding (whether formal or informal) in relation to the Corporation or any of its directors or senior officers is announced, commenced or threatened by any Governmental Authority, the Exchange, or there is any change of law, or the interpretation or administration thereof; or any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Corporation is made by a Governmental Authority and that order is still in effect, which in the reasonable opinion of the applicable Agent operates to prevent or restrict the trading in the Common Shares or the distribution of the Debentures or which in the reasonable opinion of the applicable Agent, acting in good faith, could be expected to have a Material Adverse Effect on the market price of value of the Debentures or the Common Shares;
- (c) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions or any action, law, regulation or inquiry which, in the reasonable opinion of the applicable Agent, materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada, or the business, operations or affairs of the Corporation;
- (d) there occurs any material change in the business, financial condition, assets, liabilities (contingent or otherwise), results of operations or prospect of the Corporation or there exists or is discovered by the Agent any material fact which is, or may be, of such a nature as to render the public information record of the Corporation within the past two years, untrue, false or misleading in a material respect or results in a misrepresentation (other than a change or fact related solely to the Agent), which in the reasonable opinion of the applicable Agent could be expected to have Material Adverse Effect on the market price or value of the Debentures or the Common Shares;
- (e) the Corporation is in breach of, default under or non compliance with any material representation, warranty, term or condition of this Agreement or the Subscription Agreements;
- (f) the state of the financial markets in any of the Offering Jurisdictions is such that in the opinion of the applicable Agent, acting reasonably, the Debentures cannot be marketed profitably; or
- (g) the applicable Agent becomes aware, acting reasonably, as a result of its due diligence review or otherwise, of any Material Adverse Effect with respect to the Corporation which, in the sole opinion of the applicable Agent, had not been disclosed to the public or to the Agent in writing prior to the date hereof and at or prior to the Closing Time.

Any termination pursuant to the terms of this Agreement will be effected by notice in writing delivered to the Corporation, provided that no termination will discharge or otherwise affect any obligation of the Corporation under Section 9, Section 12, Section 15 and Section 16. The rights of the Agent to terminate obligations hereunder are in addition to, and without prejudice to, any other remedies it may have.

The Agent may exercise any or all of the rights provided for in Section 10, Section 11 or Section 14 notwithstanding any material change, change in any material fact, event or state of facts and notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change in any material fact, event or state of facts including, without limitation, any act of the Agent related to the Offering or continued offering of the Debentures for sale. The Agent will only be considered to have waived or be estopped from exercising or relying upon any of its rights under or pursuant to Section 10, Section 11 or Section 14 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.

All representations, warranties, terms and conditions herein or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein will survive the payment by the Agent for the Debentures and will continue in full force and effect for the benefit of the Agent and the Subscribers for a period of two years from the Final Closing Date regardless of any investigation by or on behalf of the Agent with respect thereto.

## 12. Indemnification by the Corporation

- (a) The Corporation agrees to indemnify and save harmless the Agent and its affiliates (for the purposes of this Section 12, references to the Agent shall be deemed to include the Agent's affiliates) and any Selling Firms and their respective directors, officers, employees, partners, agents, advisors and shareholders (collectively, the "**Indemnified Parties**" and individually, an "**Indemnified Party**") from and against any and all losses (other than loss of profit), expenses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel (collectively, "**Losses**") in connection with any action, suit, proceeding, investigation or claim (including, without limitation, security holder or derivative actions, arbitration proceedings or otherwise) that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, the "**Claims**") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly:
- (i) any untrue statement or alleged untrue statement of material fact contained in the information (whether written or oral) supplied to any prospective Subscriber by or on behalf of the Corporation or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, or
  - (ii) the services provided by the Agent hereunder or under the engagement letter entered into between the Agent and the Corporation dated February 6, 2020,

and to reimburse each Indemnified Party forthwith, upon demand, for any legal or other expenses reasonably incurred by such Indemnified Party in connection with any Claim, provided, however that this indemnity shall not apply in respect of the Agent or the Indemnified Parties to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that: (A) the Agent or Indemnified Party has been negligent or have committed any fraudulent act or wilful misconduct in the course of such performance; and (B) the expenses, losses, claims, damages or liabilities, as to

which indemnification is claimed, were directly or indirectly caused by the negligence, fraudulent act or wilful misconduct referred to in (A).

If for any reason (other than the occurrence of any of the events itemized in (A) and (B) above), the foregoing indemnification is unavailable to the Agent or insufficient to hold it harmless, then the Corporation shall contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Agent on the other hand but also the relative fault of the Corporation and the Agent, as well as any relevant equitable considerations; provided that the Corporation shall, in any event, contribute to the amount paid or payable by the Agent as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Agent hereunder pursuant to the Agreement to which this indemnity is attached.

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

- (b) Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Agent will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission so to notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Agent except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Corporation would otherwise have under this indemnity had the Agent not so delayed in giving or failed to give the notice required hereunder.
- (c) The Corporation shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Corporation notifying the Agent in writing of its election to assume the defence and retaining counsel, the Corporation shall not be liable to the Agent for any legal expenses subsequently incurred by them in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Agent, will keep the Agent advised of the progress thereof and will discuss with the Agent all significant actions proposed.

- (d) Notwithstanding the foregoing paragraph, the Agent shall have the right, at the Corporation's expense, to employ counsel of the Agent's choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Corporation; or (ii) the Corporation has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation or the Agent have advised the Agent that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Agent, or to the Agent, which are different from or in addition to those available to the Corporation (in which event and to that extent, the Corporation shall not have the right to assume or direct the defence on the Agent's behalf) or that there is an actual or potential conflict of interest between the Corporation and the Agent or between the Agent or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Corporation shall not have the right to assume or direct the defence on the Agent's behalf).
- (e) No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Agent. No admission of liability shall be made and the Corporation shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.
- (f) The indemnity and contribution obligations of the Corporation shall be in addition to any liability which the Corporation may otherwise have, shall extend upon the same terms and conditions to the Indemnified Parties of the Agent and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Corporation, the Agent and any of the Indemnified Parties of the Agent. The foregoing provisions shall survive the completion of professional services rendered under the letter to which this is attached or any termination of the authorization given by the letter to which this is attached.
- (g) The Corporation hereby constitutes the Agent as agent and trustee for each of the Indemnified Parties of the Corporation's covenants under this indemnity with respect to such persons and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.
- (h) The obligations of the Corporation under this Section 12 are in addition to any liabilities which the Corporation may otherwise have to the Agent or any Indemnified Party.

### **13. Notices**

Any notice or other communication required or permitted to be given hereunder will be in writing and will be addressed and delivered:

in the case of the Corporation, to:

VSBLTY Groupe Technologies Corp.  
Suite 300, 417 North 8<sup>th</sup> Street  
Philadelphia, Pennsylvania 19123

Attention: Jay Hutton

Email: [jhutton@vsblty.net](mailto:jhutton@vsblty.net)

with a copy of any such notice (which will not constitute notice to the Corporation) to:

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

Attention: Mark Neighbor  
Email: [Mark.Neighbor@mcmillan.ca](mailto:Mark.Neighbor@mcmillan.ca)

in the case of Echelon, to:

Echelon Wealth Partners Inc.  
1 Adelaide Street East, Suite 2100  
Toronto, ON M5C 2V9

Attention: David G. Anderson, Head of Investment Banking  
Email: [danderson@echelonpartners.com](mailto:danderson@echelonpartners.com)

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

Bennett Jones  
2500 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2X8

Attention: Kwang Lim  
Email: [limk@bennettjones.com](mailto:limk@bennettjones.com)

or to such other address as the party may designate by notice given to the others. Each communication will be personally delivered to the addressee or sent by electronic transmission to the addressee, and:

- (a) a communication which is personally delivered will, if delivered before 4:30 p.m. (local time) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and
- (b) a communication which is sent by e-mail transmission will, if sent on a Business Day before 4:30 p.m. (local time), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

#### **14. Agent's Statutory Obligations**

The Corporation: (i) acknowledges and agrees that the Agent has certain statutory obligations as a registrant under the Applicable Securities Laws and has fiduciary relationships with its clients; and (ii) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent's statutory obligations as a registrant under Applicable Securities Laws or fiduciary relationships with its clients

conflicts with its obligations hereunder, the Agent will be entitled to fulfill its statutory obligations as a registrant under Applicable Securities Laws and its duties to its clients. Nothing in this Agreement will be interpreted to prevent the Agent from fulfilling its statutory obligations as a registrant under Applicable Securities Laws or to act as a fiduciaries of its clients.

It is the intention of the Corporation to constitute the Agent as trustee for each of the Subscribers in respect of the benefit of its applicable representations, warranties and covenants set forth in this Agreement.

## **15. Alternative Transaction**

- (a) If, prior to the earlier of the Final Closing Date or termination of this Agreement, a prospectus or a filing statement/information circular is filed or a letter of intent or a similar document or agreement, whether conditional, binding or otherwise is signed in connection with any Alternative Transaction (other than with respect to the Offering or any transaction in respect of which the Agent is providing Additional Services) and subsequent thereto, the Corporation terminates this Agreement then, where the Corporation and/or any of its respective affiliates complete an Alternative Transaction within 6 months of the date of such termination (the "**Alternative Transaction Period**") which results in the sale, amalgamation, or merger of the Corporation or a private placement or a public offering, or any transaction contemplated hereunder, the Corporation will, upon completing the Alternative Transaction, pay the Agent, in addition to any amounts required to be paid under this Agreement, an amount equal to 50% of the cash commission payable pursuant to this Agreement based on an offering size equal to the maximum offering size of the Offering (the "**Alternative Transaction Fee**"). The Alternative Transaction Fee shall be payable only with respect to the first Alternative Transaction completed during the Alternative Transaction Period and upon such payment being made this section shall be of no further force or effect.
- (b) The Corporation acknowledges that the agreements contained in this Section 15 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Agent would not enter into this Agreement, and that the amounts set out in this Section 15 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the Agent will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and is not a penalty. The Corporation irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

## **16. Right of First Refusal**

If within a period of 12 months from the Final Closing Date (the "**Right of First Refusal Period**") and only if the first tranche of the Offering has been completed, the Corporation undertakes a public or private brokered or underwritten offering of debt (excluding mortgage debt or any other form of property level financing), equity or equity-based securities in any jurisdiction (each, a "**Financing**"), Echelon will have a right of first refusal ("**Right of First Refusal**") to serve as manager and lead placement agent and provide financial advisory services for such Financing. In the event that a Right of First Refusal is exercised under this section, the Corporation and Echelon, will enter into a separate agreement or other appropriate documentation for such engagement containing such compensation and other terms and conditions as are customary for similar engagements, including, without limitation, appropriate indemnification provisions. The foregoing Right of First Refusal must be exercised by Echelon within five business days following written notification (a "**Right of First Refusal Notice**") from the Corporation that the Corporation requires or proposes to undertake a Financing, failing which Echelon shall relinquish its rights with respect to that

particular engagement only and shall continue to have a Right of First Refusal in relation to any other Financing of the Corporation during the Right of First Refusal Period. If, prior to, or any time after, providing Echelon with a Right of First Refusal Notice, the Corporation has received an offer from a third party to serve as lead manager, or exclusive placement agent in connection with a Financing, the terms upon which such third party has proposed to act in such capacity shall be disclosed to Echelon by the Corporation in writing, and Echelon shall be entitled to exercise its Right of First Refusal by notifying the Corporation, within five business days following written notification from the Corporation, of its intention to match the terms proposed by such third party. The Corporation confirms that there are no other rights of first refusal to provide debt or equity financing services to the Corporation currently outstanding.

#### **17. Additional Issuances**

The Corporation shall not, for a period beginning on the date of this Agreement and ending 120 days from the Final Closing Date, issue or sell any Common Shares or securities or financial instruments convertible or exchangeable into Common Shares, other than (i) in connection with the Non-Brokered Offering; (ii) stock options issued under the Stock Option Plan or share bonus awards issued to employees or consultants of the Corporation; (iii) securities issued under commercial agreements, in connection with share or asset acquisitions, or otherwise issued in the normal course of business pursuant to non-financing transactions; (iv) securities issued to satisfy existing instruments already issued as of the date hereof; or (v) securities issued with the prior written consent of the Agent, such consent not to be unreasonably withheld.

#### **18. Miscellaneous**

- (a) If one or more of the provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- (b) This Agreement contemplated by or delivered under or in connection with this Agreement are governed by and are to be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and treated in all respects as an Ontario contract. The parties hereby irrevocably and unconditionally attorn to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom. Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of any matter referred to in this Agreement is hereby waived by the parties hereto.
- (c) Except as otherwise stated herein, it is understood that the terms and conditions of this Agreement supersede any previous verbal or written agreement between any of the Agent and the Corporation with respect to the issuance of securities by the Corporation.
- (d) Time will be of the essence of this Agreement.
- (e) In this Agreement, words importing the singular include the plural and words importing gender include all genders.
- (f) Where the phrase "to the knowledge of" is used in respect of the Corporation, such phrase will mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the actual knowledge of management of the Corporation, after



appropriate inquiries and investigations.

- (g) This Agreement may be executed in one or more counterparts each of which so executed will constitute an original and all of which together will constitute one and the same agreement.
- (h) Delivery of an executed counterpart of this Agreement by electronic means, including by facsimile transmission or by electronic delivery in portable document format (".pdf"), will be equally effective as delivery of a manually executed counterpart hereof.

***[The remainder of this page left intentionally blank; signature page follows.]***

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Agent's Counsel.

**ECHELON WEALTH PARTNERS INC.**

By: "redacted"  
Name: David G. Anderson  
Title: Head of Investment Banking

Accepted and agreed to effective as of the date of this Agreement.

**VSBLTY GROUPE TECHNOLOGIES CORP.**

By: "redacted"  
Name: Jay Hutton  
Title: President & CEO

## AMENDMENT AGREEMENT

THIS AGREEMENT made as of April 7, 2020.

BETWEEN:

**VSBLTY GROUPE TECHNOLOGIES CORP.**, a corporation existing under the laws of the Province of British Columbia

(the "**Corporation**")

AND:

**ECHELON WEALTH PARTNERS INC.**, a corporation existing under the laws of the Province of Ontario

(the "**Agent**")

WHEREAS:

A. The Corporation and the Agent entered into an agency agreement (the "**Original Agreement**") dated February 26, 2020 with respect to the brokered private placement offering by the Corporation of up to \$4,000,000 principal amount of 10% unsecured convertible debentures, each in the principal amount of \$1,000.

B. The parties mutually wish to amend the Original Agreement on the terms set out herein.

**NOW THEREFORE**, in consideration of the mutual premises and the respective covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

### 1. ONE AGREEMENT

The Original Agreement, as amended hereby, will continue in full force and effect and this Amendment Agreement will have effect so far as practicable as if all the provisions of the Original Agreement and this Amendment Agreement were contained in one instrument.

### 2. DEFINITIONS

Except as otherwise specified herein, all capitalized terms defined in the Original Agreement will have the same meaning when used in this Amendment Agreement.

### 3. AMENDMENT TO ORIGINAL AGREEMENT

Effective as of April 9, 2020, the Original Agreement is hereby amended by inserting the following sentence as the second sentence of the third paragraph of Section 7:

"Notwithstanding the foregoing, the Agent may, in its sole discretion, direct the Corporation to execute and deliver any such definitive certificates by electronic means via DocuSign, and upon electronic delivery of the same by the Corporation, such definitive certificates shall be effective as originals for purposes of this Section 7",

such that the third paragraph of Section 7 reads as follows:

"The Corporation will make all necessary arrangements for the exchange of any such definitive certificates or deposit of such securities, on the date of delivery, at the principal offices of the Agent in the City of Toronto for certificates representing the Broker Warrants in such amounts and registered in such names as will be designated by the Agent not less than 48 hours prior to the Closing Time. **Notwithstanding the foregoing, the Agent may, in its sole discretion, direct the Corporation to execute and deliver any such definitive certificates by electronic means via DocuSign, and upon electronic delivery of the same by the Corporation, such definitive certificates shall be effective as originals for purposes of this Section 7.** The Corporation will pay all fees and expenses payable to or incurred by the registrar of the Corporation in connection with the preparation, delivery, certification and exchange of any definitive certificates contemplated by this Section 7 and the fees and expenses payable to or incurred by the registrar of the Corporation in connection with such additional transfers required in the course of the distribution of the Debentures and the Broker Warrants, which fees and expenses may be deducted by the Agent from the aggregate gross proceeds of the Offering." **[Emphasis added]**

#### **4. GOVERNING LAW**

This Amendment Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the courts of such Province will have jurisdiction over any dispute arising under this Agreement.

#### **5. COUNTERPARTS**

This Amendment Agreement may be executed in two or more counterparts, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

**IN WITNESS WHEREOF** the parties have executed this Amendment Agreement as of the date first set out above.

**VSBLTY GROUPE TECHNOLOGIES CORP.**

Per: "redacted"  
Authorized Signatory

**ECHELON WEALTH PARTNERS INC.**

Per: "redacted"  
Beth Shaw, Head of Equity Capital Markets