

## AGENCY AGREEMENT

June 24, 2021

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

Attention: Jay Hutton, President and CEO

Dear Sir:

**Re: Public Offering of Units**

Echelon Wealth Partners Inc. (the "**Agent**"), understands that VSBLTY Groupe Technologies Corp. (the "**Company**") proposes to issue and sell (the "**Offering**") 16,000,000 units (the "**Units**") in the Company at a price of \$0.50 per Unit (the "**Offering Price**") for aggregate gross proceeds of \$8,000,000. Each Unit shall consist of one common share of the Company (a "**Unit Share**") and one half of one common share purchase warrant of the Company (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in accordance with the Warrant Indenture (as defined herein), one common share of the Company (a "**Warrant Share**") at a price of \$0.65 per Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months following the Closing Date (as defined herein) (the "**Expiry Date**") on the terms and subject to the conditions governing the Warrants as contained in the Warrant Indenture.

The Agent understands that the Company: (i) has prepared and filed a Preliminary Prospectus (as defined herein); (ii) has prepared and filed an Amended and Restated Preliminary Prospectus (as defined herein); (iii) has addressed the comments made by the Securities Commissions (as defined herein) in respect of the Amended and Restated Preliminary Prospectus; and (iv) has been cleared by all of the Securities Commissions in the Qualifying Provinces (as defined herein) to file the Final Prospectus (as defined herein). The Company has prepared and will file, concurrently with the execution of this Agreement, the Final Prospectus and all other necessary documents in order to qualify the Units for Distribution (as defined herein) to the public in each of the Qualifying Provinces, grant the Over-Allotment Option (as defined herein) and issue the Agent's Warrants (as defined herein).

The Company hereby grants to the Agent an over-allotment option (the "**Over-Allotment Option**"), which may be exercised in whole or in part, in the Agent's sole discretion and without obligation, for a period of 30 days from and including the Closing Date (as defined herein), to offer and sell as agent: (i) up to such additional number of Units (the "**Over-Allotment Units**") as is equal to 15% of the number of Units sold under the Offering at the Offering Price per Over-Allotment Unit; (ii) up to such additional number of common shares of the Company (the "**Over-Allotment Unit Shares**") as is equal to 15% of the number of Unit Shares comprising the Units sold under the Offering at a price of \$0.4625 per Over-Allotment Unit Share; (iii) up to such additional number of Warrants (the "**Over-Allotment Warrants**", and together with the Over-Allotment Units and the Over-Allotment Unit Shares, the "**Over-Allotment Securities**") as is equal to 15% of the number of Warrants comprising the Units sold under the Offering at a price of \$0.075 per Over-Allotment Warrant; or (iv) any combination of Over-Allotment Securities, so long as the aggregate number of Over-Allotment Securities does not exceed 2,400,000 Over-Allotment Unit Shares and 1,200,000 Over-Allotment Warrants, for the purpose of covering the Agent's over-allocation position (as defined herein), if any, and for market stabilization purposes. Unless the context otherwise requires, all references herein to "**Units**", "**Unit Shares**" or "**Warrants**" shall assume the full

exercise of the Over-Allotment Option and include the Over-Allotment Units, Over-Allotment Unit Shares and Over-Allotment Warrants, as applicable, issuable upon exercise thereof and references herein to the "**Offering**" shall include the Over-Allotment Securities issued upon exercise of the Over-Allotment Option.

The Agent shall notify the Company in writing of its election to exercise the Over-Allotment Option, no later than two Business Days (as defined herein) prior to the proposed Over-Allotment Closing Date (as defined herein) which notice shall specify the number and type of Over-Allotment Securities to be offered and sold by the Agent and the Over-Allotment Closing Date. In the event that the Over-Allotment Option is exercised, all of the terms and conditions relating to the Closing (as defined herein) shall apply to each Over-Allotment Closing (as defined herein) *mutatis mutandis*.

Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and upon acceptance hereof the Company hereby appoints the Agent as the Company's exclusive agent to offer for sale, on a commercially reasonable "best efforts" agency basis, without underwriter liability, the Units and to arrange for Purchasers (as defined herein) resident in the Selling Jurisdictions (as defined herein) where the Units may be lawfully offered and sold, provided that any Units offered or sold in any jurisdictions outside of Canada are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of any such jurisdictions, including continuous disclosure obligations. It is understood and agreed that the Agent is under no obligation to purchase any of the Units as principal.

The Agent and the Company agree that the Company may also offer units directly to purchasers at the Offering Price by way of non-brokered private placement in the United States in the aggregate amount of up to \$600,000 (or such other amount as the parties may agree), which is expected to close on or before the Closing Date (the "**Non-Brokered Placement**"). The units issued in the Non-Brokered Placement will have terms identical to the Units, except that the securities issued in the Non-Brokered Placement will be subject to a statutory hold period lasting four months and one day following the closing of the Non-Brokered Placement and the warrants issued in the Non-Brokered Placement will be represented by physical warrant certificates and will not be issued pursuant to a warrant indenture. The Agent undertakes no obligation to the Company or to the purchasers under the Non-Brokered Placement, including with respect to the conversion of the units into common shares and warrants or the exercise of the warrants into warrant shares. The Company 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 units into common shares and warrants or the exercise of the warrants for warrant shares.

The Agent acknowledges that none of the Agent's Warrants or the Agent's Warrant Shares (as defined herein) have been registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Agent's Warrants and the Agent's Warrant Shares, the Agent represents, warrants and covenants that: (i) it is acquiring the Agent's Warrants and Agent's Warrant Shares as principal for its own account and not for the benefit of any other person; (ii) it is not a "U.S. person", as such term is defined in Regulation S (as defined herein), and is not acquiring the Agent's Warrants in the United States, or on behalf of a U.S. person or a person located in the United States; and (iii) this Agreement was executed and delivered outside the United States. The Agent acknowledges and agrees that the Agent's Warrants may not be exercised in the United States or by or on behalf of for the benefit of a U.S. person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act or the securities laws of any state of the United States. The Agent agrees that it will not engage in any "directed selling efforts (as such term is defined in Rule 902(c) of Regulation S) with respect to any Units, and will not offer or sell any Agent's Warrants or Agent's

Warrant Shares in the United States unless in compliance with an exemption or an exclusion from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

The Agent shall be entitled to appoint, at its sole expense, a soliciting dealer group consisting of other registered dealers acceptable to the Company for the purposes of arranging for purchases of the Units. The Agent shall ensure that any investment dealer who is a member of any soliciting dealer group formed by the Agent pursuant to the provisions of this Agreement or with whom the Agent has a contractual relationship with respect to the Offering (a "**Selling Firm**"), if any, agrees with the Agent to comply with the (i) covenants and obligations given and undertaken by the Agent herein; and (ii) Applicable Securities Laws (as defined herein).

In consideration of the Agent's services to be rendered in connection with the Offering, the Company shall pay to the Agent at Closing a cash fee equal to 7.0% of the gross proceeds realized by the Company in respect of the sale of the Units (the "**Cash Commission**").

In addition, as additional consideration of the Agent's services to be rendered in connection with the Offering, the Company shall grant to the Agent at Closing, non-transferable Common Share purchase warrants (the "**Agent's Warrants**") entitling the Agent to purchase such number of Common Shares (the "**Agent's Warrant Shares**") equal to 7.0% of the total number of Units sold pursuant to the Offering. Each Agent's Warrant will entitle the holder to acquire during the 36 months following the Closing Date, one Agent's Warrant Share at an exercise price of \$0.12 per Agent's Warrant Share. The terms governing the Agent's Warrants will be set out in the certificates representing the Agent's Warrants. The certificates representing the Agent's Warrants will include, among other things, provisions for the appropriate adjustment in the class, number and price of the underlying Agent's Warrant Shares upon exercise of the Agent's Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the payment of stock dividends and the amalgamation of the Company.

The obligation of the Company to pay the Cash Commission and to issue the Agent's Warrants shall arise at the applicable Closing Time against payment for the Units and the Cash Commission and the Agent's Warrants shall be fully earned by the Agent at that time.

## DEFINITIONS

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

"**2020 Convertible Debentures**" means the unsecured convertible debentures issued by the Company in two tranches on February 26, 2020 and April 9, 2020 in the aggregate principal amount of \$1,630,380 and \$230,000, respectively, which debentures are convertible into units of the Company at a price of \$0.30 per unit if converted at any time before one year from the issuance date, or convertible at \$0.60 per unit if converted after one year from the issuance date but before the date that is two years from the issuance date;

"**Acquisition**" means the acquisition of the Subsidiary by the Company pursuant to a merger agreement dated December 12, 2018 among the Company, the Subsidiary and VSBLTY Merger Co. and the transactions in connection therewith;

"**Act**" means the *Securities Act* (Ontario);

"**Additional Services**" has the meaning ascribed to such term in the Engagement Letter;

"**affiliate**", "**associate**" and "**subsidiary**" have the respective meanings ascribed to such terms under the *Business Corporations Act* (British Columbia);

"**Agreement**" means this agreement between the Company and the Agent, as the same may be amended from time to time;

"**Alternative Transaction**" means, as a single transaction or as a series of related transactions: (i) an issuance or sale by the Company 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 Company or its shareholders; (iii) the acquisition of the Company 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 Company.

"**Alternative Transaction Fee**" has the meaning ascribed to such term in Section 20 of this Agreement;

"**Amended and Restated Prospectus**" means the amended and restated preliminary short form prospectus of the Company dated June 10, 2021 filed by the Company in connection with the Distribution of the Units, including all of the Documents Incorporated by Reference therein;

"**Applicable Securities Laws**" means collectively and as applicable, Canadian Securities Laws, U.S. Securities Laws and all applicable securities laws, rules, regulations, policies and other instruments promulgated by the Securities Regulators in any of the other Selling Jurisdictions;

"**Audited Financial Statements**" means the audited consolidated financial statements of the Company for the years ended December 31, 2020 and 2019;

"**August 2019 Convertible Debentures**" means the unsecured convertible debentures in the aggregate principal amount of \$1,165,000 issued by the Company on August 29, 2019, which debentures are convertible into units of the Company at a price of \$0.35 per unit if converted at any time before one year from the issuance date, or convertible at \$0.60 per unit if converted after one year from the issuance date but before the date that is two years from the issuance date;

"**BCSC**" means the British Columbia Securities Commission, as the Company's principal securities regulator;

"**Best of the Company's Knowledge**" means to the best of the knowledge of the President and Chief Executive Officer or the Chief Financial Officer of the Company after due inquiry;

"**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;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory or civic holiday in Vancouver, British Columbia or Toronto, Ontario;

"**Canadian Securities Laws**" means collectively, the applicable securities laws in each of the Qualifying Provinces, the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments issued by the Securities Commissions in Canada and all applicable rules and policies of the CSE;

"**Closing**" means the completion of the issue and sale by the Company of the Units, including Over-Allotment Securities, if applicable;

"**Closing Date**" means June 29, 2021 or such other date as the Company and the Agent may agree in writing;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date and on the Over-Allotment Closing Date, as applicable, or such other time on the Closing Date or the Over-Allotment Closing Date as the Company and the Agent may agree;

"**Common Shares**" means the common shares of the Company;

"**Company's Auditors**" means such firm of certified professional accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

"**Company's Information Record**" means all information contained in any press release, material change report (excluding any confidential material change report), financial statements, information circulars, annual information forms, business acquisition reports, prospectuses or other document of the Company which has been publicly filed by, or on behalf of, the Company pursuant to Canadian Securities Laws or otherwise by or on behalf of the Company subsequent to January 1, 2020;

"**Control**" has the meaning ascribed to such term under the *Business Corporations Act* (British Columbia);

"**Convertible Debentures**" means, collectively, the July 2019 Convertible Debentures, the August 2019 Convertible Debentures, the September 2019 Convertible Debentures, the October 2019 Convertible Debentures and the 2020 Convertible Debentures.

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

"**Debt Instrument**" means the Convertible Debentures and any other loan, bond, debenture, credit facility, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money, to which the Company or the Subsidiary is a party or by which any of their property or assets are bound;

"**Distribution**" means "distribution" or "distribution to the public" as those terms are defined under Canadian Securities Laws;

"**Documents Incorporated by Reference**" means, in respect of either the Preliminary Prospectus, the Amended and Restated Prospectus, the Final Prospectus or any Supplementary Material as the case may be, the financial statements, management information circulars, annual information forms, business acquisition reports, marketing materials, material change reports or other documents issued by the Company, whether before or after the date of this Agreement, that are required or deemed to be incorporated by reference into the Preliminary Prospectus, the Final Prospectus or any Supplementary Material, as the case may be, pursuant to Canadian Securities Laws;

"**Due Diligence Sessions**" has the meaning ascribed to such term in Section 1(c) of this Agreement;

"**Eligible Issuer**" means an issuer which is qualified to file a short-form prospectus under NI 44-101;

**"Engagement Letter"** means the letter agreement dated June 7, 2021 between the Agent and the Company;

**"Environmental Laws"** has the meaning ascribed to such term in Section 6(ddd) of this Agreement;

**"Final Prospectus"** means the (final) short form prospectus, including all of the Documents Incorporated by Reference, to be prepared and filed by the Company in connection with the Distribution of the Units;

**"Financing"** has the meaning ascribed to such term in Section 21 of this Agreement;

**"Governmental Authorities"** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:

- (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
- (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

**"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;

**"Governmental Licences"** has the meaning ascribed to such term in Section 6(zz) of this Agreement;

**"including"** means including without limitation;

**"Indemnified Parties"** has the meaning ascribed to such term in Section 14 of this Agreement;

**"Indemnitor"** has the meaning ascribed to such term in Section 14 of this Agreement;

**"Intellectual Property"** means any and all industrial or intellectual property (whether foreign or domestic, registered or unregistered) owned by the Company and the Subsidiary, licensed to the Company 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 reissues, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (ii) all trade-marks, 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;

**"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), trade-mark 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;

**"July 2019 Convertible Debentures"** means the unsecured convertible debentures in the aggregate principal amount of \$745,500 issued by the Company on July 18, 2019, which debentures are convertible into units of the Company at a price of \$0.45 per unit if converted at any time before one year from the issuance date, or convertible at \$0.60 per unit if converted after one year from the issuance date but before the date that is two years from the issuance date;

**"Laws"** means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, judgments, notices and published protocols, codes, guidelines, policies, and directions or other requirements of any Governmental Authorities applicable to the Company or the Subsidiary;

**"Material Adverse Effect"** means any change, event, violation, inaccuracy, circumstance or effect that, individually or in the aggregate with other changes, events, violations, inaccuracies, circumstances or effects, is or would reasonably be expected to be materially adverse to the business, affairs, operations, assets (including intangible assets), liabilities (contingent or otherwise), capitalization, prospects, condition (financial or otherwise) or results of operations of the Company and the Subsidiary taken as a whole, except to the extent of that any such change, event, violation, inaccuracy, circumstance or effect is a result of or arose in connection with: (i) any change in regulatory accounting requirements applicable to public companies in Canada; (ii) any change in (A) global, national or regional political conditions (including the outbreak of war or acts of terrorism); (B) general economic, business, regulatory or market conditions; or (C) global or national financial or capital markets; or (iii) any natural disaster;

**"Material Agreement"** means any material contract, commitment, agreement (written or oral), joint venture instrument, lease or other document, including a license agreement, to which the Company or the Subsidiary is a party or by which any of their property or assets are bound, and includes: (i) the merger agreement dated December 12, 2018 among the Company, the Subsidiary and VSBLTY Merger Co.; (ii) the escrow agreement dated February 12, 2019 between the Company, Odyssey Trust Company and certain shareholders of the Company; (iii) the agency agreement dated August 29, 2019 between the Company and the Agent; (iv) the agency agreement dated February 26, 2020 between the Company and the Agent; (v) the agency agreement dated August 17, 2020 among the Company, the Agent and Eight Capital; (vi) the warrant indenture dated August 20, 2020 between the Company and Odyssey Trust Company; and (vii) any amendments to the foregoing documents;

**"material change", "material fact" and "misrepresentation"** have the respective meanings given to them under the Act;

**"Mexican Subsidiary"** means VSBLTY Mexico, S.de RL. de C.V.

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

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

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

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

"**October 2019 Convertible Debentures**" means the unsecured convertible debentures in the aggregate principal amount of \$1,095,598 issued by the Company on October 23, 2019, which debentures are convertible into units of the Company at a price of \$0.35 per unit if converted at any time before one year from the issuance date, or convertible at \$0.60 per unit if converted after one year from the issuance date but before the date that is two years from the issuance date;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, Amended and Restated Prospectus, the Final Prospectus, and any Supplementary Material;

"**over-allocation position**" has the meaning ascribed to such term in NI 41-101;

"**Over-Allotment Closing**" means the closing of the purchase and sale of Over-Allotment Units, Over-Allotment Unit Shares and/or Over-Allotment Warrants, pursuant to the exercise of the Over-Allotment Option;

"**Over-Allotment Closing Date**" means the date on which the Over-Allotment Closing occurs;

"**Over-Allotment Securities**" means the Over-Allotment Units, the Over-Allotment Unit Shares and the Over-Allotment Warrants;

"**Person**" includes any individual, corporation, limited partnership, general partnership, joint stock company or association, joint venture association, company, trust, bank, trust company, land trust, investment trust, society or other entity, organization, syndicate, whether incorporated or not, trustee, executor or other legal personal representative, and governments and agencies and political subdivisions thereof;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Company dated June 9, 2021 filed by the Company in connection with the Distribution of the Units, including all of the Documents Incorporated by Reference therein;

"**Premises**" has the meaning ascribed to such term in Section 6(dd) of this Agreement;

"**Prospectus**" means, collectively, the Preliminary Prospectus, the Amended and Restated Prospectus and the Final Prospectus;

"**Purchasers**" means, collectively, the purchasers of the Units pursuant to the Offering including, if applicable, the Agent;

"**Qualifying Provinces**" means the Provinces of British Columbia, Alberta, Saskatchewan and Ontario;

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

"**Responses**" has the meaning ascribed to such term in Section 1(c) of this Agreement;

"**Right of First Refusal**" has the meaning ascribed to such term in Section 21 of this Agreement;

"**Right of First Refusal Notice**" has the meaning ascribed to such term in Section 21 of this Agreement;

"**Right of First Refusal Period**" has the meaning ascribed to such term in Section 21 of this Agreement;



"**SEC**" means the U.S. Securities and Exchange Commission;

"**Securities Commissions**" means, collectively, the securities commissions or other securities regulatory authorities in the Selling Jurisdictions;

"**Selling Jurisdictions**" means collectively, the Qualifying Provinces and any other jurisdictions outside of Canada as mutually agreed to by the Company and the Agent;

"**September 2019 Convertible Debentures**" means the unsecured convertible debentures in the aggregate principal amount of \$1,857,120 issued by the Company on September 19, 2019, which debentures are convertible into units of the Company at a price of \$0.35 per unit if converted at any time before one year from the issuance date, or convertible at \$0.60 per unit if converted after one year from the issuance date but before the date that is two years from the issuance date;

"**Software**" has the meaning ascribed to such term in Section 6(qq) of this Agreement;

"**Standard Listing Conditions**" has the meaning ascribed to such term in Section 1(e) of this Agreement;

"**Subsidiary**" means VSBLTY, Inc., a corporation organized under the laws of Delaware;

"**Supplementary Material**" means, collectively, any amendment to the Prospectus, any amended or supplemental prospectus or ancillary material required to be filed with any of the Securities Commissions in connection with the Distribution of the Units and any Documents Incorporated by Reference;

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

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, including the rules and regulations adopted by the SEC thereunder;

"**U.S. Securities Laws**" means all applicable securities laws in the United States, including, without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, including the rules and policies of the SEC, and any applicable state securities laws;

"**Warrant Indenture**" means the warrant indenture to be dated as of the Closing Date between the Company, as issuer, and Odyssey Trust Company, as trustee, which creates and contains the terms and conditions governing the Warrants;

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to "**Sections**", "**subsections**", "**clauses**" or "**paragraphs**" are to the appropriate section, subsection, clause or paragraph of this Agreement.

The following schedule is attached to this Agreement, which schedule is deemed to be a part of this Agreement:

Schedule "A" – Form of Lock-Up Agreement

## TERMS AND CONDITIONS

1. **Company's Covenants.** The Company makes the following covenants to the Agent and acknowledges that the Agent is relying upon such covenants in entering into this Agreement:

- (a) The Company will prepare and file the Final Prospectus pursuant to, and in compliance with, NP 11-202 and NI 44-101, and will take all other steps and proceedings that may be necessary to do so, before 5:00 p.m. (Toronto time) on June 24, 2021, and obtain a receipt therefor before 5:00 p.m. (Toronto time) on June 24, 2021 (or such other times or dates as may be agreed to in writing by the Agent).
- (b) The Company hereby agrees, provided the Agent has taken all action required by it hereunder to permit the Company to do so, to use its commercially reasonable efforts to comply with all Applicable Securities Laws on a timely basis in connection with the Offering, including the payment of all filing fees required to be paid in connection therewith. Subject to being notified by the Agent of placements made to purchasers in jurisdictions other than Canada, the Company also agrees to file within the periods stipulated under Applicable Securities Laws and at the Company's expense, all private placement forms required to be filed by it in such jurisdictions in connection with the Offering and agrees to pay all filing fees required to be paid in connection therewith so that the distribution of the Units outside of the Qualifying Provinces may lawfully occur without the necessity of filing a prospectus or any similar disclosure document under Applicable Securities Laws outside of the Qualifying Provinces. The Agent agrees to comply, and agree to assist the Company in complying, with all Applicable Securities Laws in connection with the Offering.
- (c) The Company covenants that prior to the Closing Time, and at all times until the Closing Time, it will allow the Agent (and its counsel) to conduct all due diligence which the Agent may reasonably require or which may be considered necessary or appropriate by the Agent. The Company will provide the Agent (and its counsel) with reasonable access to the Company's senior management and corporate, financial and other records for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry the Agent (or its counsel) may conduct, the Company shall also make available its directors, senior management, auditors and legal counsel to answer any questions which the Agent may have and to participate in one or more due diligence sessions (collectively, the "**Due Diligence Sessions**") to be held prior to Closing and prior to filing each of the Preliminary Prospectus and the Final Prospectus. The Agent will distribute a list of written questions to be answered in advance of each Due Diligence Session and the Company will provide written or oral responses (the "**Responses**") to such questions and will use its commercially reasonable efforts to have its auditors provide responses to such questions;
- (d) The Company covenants to use its commercially reasonable efforts to fulfil or cause to be fulfilled, at or prior to the Closing Time, each of the conditions required to be fulfilled by it set out in Section 8 hereof.
- (e) The Company covenants to use its commercially reasonable efforts to obtain the necessary approval of the CSE for the listing of the Warrants on such conditions as are acceptable to the Agent and the Company, acting reasonably (the "**Standard Listing Conditions**"). The Company covenants to fulfill all requirements of the CSE in connection with the Financing.

- (f) The Company covenants to fulfill all legal requirements to permit the creation, issuance, offering and sale of the Unit Shares and the Warrants comprising the Units, the issuance of the Warrant Shares upon the exercise of the Warrants, the granting of the Agent's Warrants and the issuance of the Agent's Warrant Shares upon the exercise thereof, all as contemplated in this Agreement and file or cause to be filed all documents, applications, forms or undertakings required to be filed by the Company and take or cause to be taken all action required to be taken by the Company in connection with the issuance and sale of the Unit Shares and Warrants comprising the Units, the issuance of the Warrant Shares upon the exercise of the Warrants, and the granting of the Agent's Warrants and the issuance of the Agent's Warrant Shares upon the exercise thereof.
- (g) Until the date of the completion of the Distribution of the Units, the Company covenants to use its commercially reasonable efforts to ensure the Offering Documents comply at all times with Applicable Securities Laws.
- (h) During the period from the date hereof until the completion of the Distribution of the Units, the Company covenants to promptly inform the Agent of the full particulars of any request of any Securities Commission for any information, or the receipt by the Company of any communication from any Securities Commission or any other competent authority relating to the Company or which may be relevant to the Distribution of the Units.
- (i) The Company covenants to apply the net proceeds from the Offering as set forth in the Final Prospectus.
- (j) The Company covenants to advise the Agent, promptly after receiving notice thereof, of the filing of the Final Prospectus and any Supplementary Material and to provide copies of the applicable receipts when obtained pursuant to NP 11-202.
- (k) The Company covenants to advise the Agent, promptly after receiving notice or obtaining knowledge thereof, of:
  - (i) the issuance by any Securities Commission of any order suspending or preventing the use of any of the Offering Documents or the institution, threatening or contemplation of any proceeding for any such purposes;
  - (ii) any order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) issued by any Securities Commission or the institution, threatening or contemplation of any proceeding for any such purposes; or
  - (iii) any requests made by any Securities Commissions to amend or supplement any of the Offering Documents or for additional information, andto use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible.
- (l) Except to the extent that the Company participates in a takeover bid, merger, arrangement amalgamation, liquidation or other similar business combination or sale transaction, the Company covenants to use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the

Canadian Securities Laws of each of the Qualifying Provinces which have such a concept to the date which is two years following the Closing Date.

- (m) The Company covenants to use its commercially reasonable efforts to maintain the listing of the Common Shares on the CSE or such other recognized stock exchange or quotation system to the date that is three years following the Closing Date so long as the Company meets the minimum listing requirements of the CSE or such other exchange or quotation system.
- (n) The Company shall allow the Agent to participate in the preparation of the Offering Documents that the Company is required to file under Canadian Securities Laws or will otherwise use relating to the Offering.
- (o) The Company covenants to deliver to the Agent, without charge, contemporaneously with, or prior to the filing of, the Preliminary Prospectus, the Amended and Restated Prospectus and the Final Prospectus, unless otherwise indicated, a copy of any document filed with, or delivered to, the Securities Commissions by the Company under Canadian Securities Laws with such prospectus.

## **2. Agent's Representations, Warranties and Covenants.**

- (a) The Agent covenants with the Company that it will (and will use its commercially reasonable efforts to cause any Selling Firm to):
  - (i) conduct activities in connection with arranging for the sale and distribution of the Units in compliance with all Applicable Securities Laws, the Prospectus and the provisions of this Agreement;
  - (ii) not, directly or indirectly, sell or solicit offers to purchase the Units or distribute or publish any offering circular, prospectus, form of application, advertisement or other offering materials in any country or jurisdiction so as to require registration or filing of a prospectus with respect thereto or compliance by the Company with regulatory requirements (including any continuous disclosure obligations) under the Laws of, or subject the Company (or any of its directors, officers or employees) to any inquiry, investigation or proceeding of any securities regulatory authority, stock exchange or other authority in, any jurisdiction other than the Qualifying Provinces as contemplated by this Agreement; and
  - (iii) use all commercially reasonable efforts to complete and to cause any Selling Firm to complete the distribution of the Units as soon as practicable.
- (b) The Agent shall notify the Company when, in its opinion, the Agent and the Selling Firms have ceased Distribution of the Units and provide a breakdown of the number of Units distributed and proceeds received therefrom as required by the Company to comply with Canadian Securities Laws.
- (c) Notwithstanding the foregoing provisions of this Section 2, the Agent will not be liable to the Company under this Section 2 with respect to a default under this Section 2 by a Selling Firm.

- (d) The Agent represents and warrants to, and covenants with, the Company that the Agent is duly registered under the Canadian Securities Laws in each of the Qualifying Provinces.

### **3. Deliveries on Filing and Related Matters.**

- (a) The Company shall deliver, or cause to be delivered, to the Agent:
  - (i) a copy of the Preliminary Prospectus, the Amended and Restated Prospectus and, prior to the filing of the Final Prospectus with the Securities Commissions in the Qualifying Provinces and a copy of the Final Prospectus signed by the Company as required by Canadian Securities Laws;
  - (ii) prior to the filing of any Supplementary Material with the Securities Commissions in the Qualifying Provinces, a copy of such Supplementary Material required to be filed by the Company in compliance with Canadian Securities Laws;
  - (iii) concurrently with the filing of the Final Prospectus with the Securities Commissions in the Qualifying Provinces, a "long form" comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Agent, acting reasonably, addressed to the Agent from the Company's Auditors with respect to financial and accounting information relating to the Company contained in the Final Prospectus and all Documents Incorporated by Reference, which letter shall be based on a review by the Company's Auditors within a cut-off date of not more than two Business Days prior to the date of the letter, which letter shall be in addition to the auditors' consent letter addressed to the Securities Commissions in the Qualifying Provinces; and
  - (iv) prior to the filing of the Final Prospectus with the Securities Commissions in the Qualifying Provinces, copies of all filings made by the Company with the CSE.
- (b) The Company shall prepare and deliver promptly to the Agent signed copies of all Supplementary Material.
- (c) Delivery of the Offering Documents by the Company shall constitute the representation and warranty of the Company to the Agent that, as at their respective dates of filing:
  - (i) all information and statements (except information and statements relating solely to the Agent and provided in writing by the Agent or its counsel) contained in the Offering Documents are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company and the Units; and
  - (ii) except with respect to any information relating solely to the Agent and provided in writing by the Agent or its counsel, such documents comply in all material respects with the requirements of Canadian Securities Laws.

Such deliveries shall also constitute the Company's consent to the Agent's use of the Offering Documents in connection with the Distribution of the Units in the Selling Jurisdictions in compliance with this Agreement and Applicable Securities Laws unless otherwise advised in writing.

- (d) The Company shall cause commercial copies of the Offering Documents, as applicable, to be delivered to the Agent without charge, in such numbers and in such locations as the Agent may reasonably request by written instructions to the Company's financial printer given forthwith after the Agent has been advised that the Company has complied with Applicable Securities Laws in the Selling Jurisdictions. Such delivery shall be effected as soon as possible and, in any event, no later than noon (local time) on the date which is one Business Day after the date the BCSC has issued a receipt in accordance with NP 11-202 in respect of the Preliminary Prospectus, the Amended and Restated Prospectus, the Final Prospectus or any Supplementary Material, as applicable.
- (e) The Company agrees that from the date hereof to the Closing Date, it shall obtain prior approval of the Agent as to the content and form of any press release or other public disclosure document prior to issuance, such approval not to be unreasonably withheld. In addition, any press release announcing or otherwise referring to the Offering disseminated in the United States shall comply with the requirements of Rule 135c under the U.S. Securities Act and any press release announcing or otherwise referring to the Offering disseminated outside the United States shall include an appropriate notation on each page substantially as follows: "***Not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States or the District of Columbia), or any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.*** This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Units under the Offering in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The Units offered under the Offering have not been and will not be registered under the United States Securities Act of 1933 and accordingly will not be offered, sold or delivered, directly or indirectly, within the United States, its possessions and other areas subject to its jurisdiction, except pursuant to applicable exemptions from the registration requirements."

#### 4. Marketing Materials.

- (a) During the Distribution of the Units, and, if applicable, the Over-Allotment Securities, the Company and the Agent shall approve in writing (prior to such time that marketing materials are provided to potential investors) any marketing materials reasonably requested to be provided by the Agent to any potential investor of Units, and, if applicable, Over-Allotment Securities, such marketing materials to comply with Canadian Securities Laws in the Qualifying Provinces. The Company shall file a template version of such marketing materials with the applicable Securities Commission in the Qualifying Provinces as soon as reasonably practicable after such marketing materials are so approved in writing by the Company and the Agent and in any event on or before the day the marketing materials are first provided to any potential investor of Units, or, if applicable, Over-Allotment Units, Over-Allotment Unit Shares or Over-Allotment Warrants, and such filing shall constitute the Agent's authority to use such marketing materials in connection with the Offering.
- (b) The Company and the Agent covenant and agree:
  - (i) not to provide any potential investor of Units, and, if applicable, Over-Allotment Units, Over-Allotment Unit Shares or Over-Allotment Warrants, with any marketing materials unless a template version of such marketing materials has

been filed by the Company with the applicable Securities Commission in the Qualifying Provinces on or before the day such marketing materials are first provided to any potential investor of Units, or, if applicable, Over-Allotment Securities;

- (ii) not to provide any potential investor with any materials or information in relation to the distribution of the Units, and, if applicable, the Over-Allotment Securities, or the Company other than (A) such marketing materials that have been approved and filed in accordance with Section 4(a), (B) the Offering Documents, and (C) any standard term sheets approved in writing by the Company and the Agent; and
- (iii) that any marketing materials approved and filed in accordance with Section 4(a) and any standard term sheets approved in writing by the Company and the Agent, shall only be provided to potential investors in the Selling Jurisdictions.

## **5. Material Changes.**

- (a) During the period of the Distribution of the Units, the Company shall promptly inform the Agent (and if requested by the Agent, confirm such notification in writing) of the full particulars of:
  - (i) any material change (actual, anticipated, contemplated or threatened) in the assets, liabilities (contingent or otherwise), business, affairs, operations, capital, prospects or condition (financial or otherwise) of the Company;
  - (ii) any material fact (other than any fact relating solely to the Agent) which has arisen or has been discovered and would have been required to have been stated in any of the Offering Documents had the fact arisen or been discovered on, or prior to, the date of such documents;
  - (iii) any change in any material fact (other than any fact relating solely to the Agent) contained in any of the Offering Documents;
  - (iv) the occurrence of any event or state of facts which, is, or may be, of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, or which would result in the Final Prospectus or any Supplementary Material not complying (to the extent that such compliance is required) with Canadian Securities Laws;
  - (v) any breach or potential breach of any of the representations and warranties in Subsection 3(c) hereof; and
  - (vi) any material breach or potential material breach of any of the representations and warranties in Section 6 hereof.
- (b) The Company covenants to comply with Canadian Securities Laws, and the Company will prepare and file promptly any Supplementary Material which may be necessary and will otherwise comply with all legal requirements necessary to continue to qualify the Distribution of the Units in each of the Qualifying Provinces as contemplated herein.

- (c) In addition to the provisions of subsections 5(a) and 5(b) hereof, the Company shall in good faith discuss with the Agent any change, event or fact contemplated in subsection 5(a) 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 subsection 5(a) hereof and shall consult with the Agent with respect to the form and content of any amendment or other Supplementary Material proposed to be filed by the Company, it being understood and agreed that no such amendment or other Supplementary Material shall be filed with any Securities Commission prior to the review thereof by the Agent and the Agent's counsel, acting reasonably (unless otherwise required by Applicable Securities Laws).
- (d) If during the period of Distribution of the Units there shall be any change in Applicable Securities Laws which, in the opinion of the Agent, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Agent, the Company shall, to the satisfaction of the Agent, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate Securities Commissions where such filing is required.

**6. Representations and Warranties of the Company.** The Company represents and warrants to the Agent that each of the following representations and warranties is true and correct on the date of this Agreement and acknowledges that the Agent is relying upon such representations and warranties in entering into this Agreement:

- (a) the Company: (i) has been duly incorporated, amalgamated, continued or organized and is validly existing as a company in good standing under the laws of its jurisdiction of incorporation, amalgamation, continuation or organization, and has the corporate power, capacity and authority to own, lease and operate its property and assets, to conduct 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 and the Mexican Subsidiary, the Company has no subsidiaries and the Company has no investment in any person. The Subsidiary and the Mexican Subsidiary are the only subsidiaries of the Company, including with respect to the generation of revenues. The Company owns, directly or indirectly, all of the issued and outstanding shares of the Subsidiary and the Mexican Subsidiary, all of which shares are issued as fully paid and non-assessable, are free and clear of all mortgages, hypothecs, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and no Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase from the Company, the Subsidiary or the Mexican Subsidiary of any interest in any of the shares in the capital of the Subsidiary or the Mexican Subsidiary;
- (c) each of the Subsidiary and the Mexican 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, and the Mexican Subsidiary does not currently carry on any active business;

- (d) the Company has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;
- (e) this Agreement has been duly authorized, executed and delivered by the Company and upon such execution and delivery by the Company constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable Laws;
- (f) there are no outstanding obligations, liabilities or claims against the Subsidiary that could reasonably be expected to result in a Material Adverse Effect;
- (g) the Company is not insolvent (within the meaning of applicable laws), is able to pay its liabilities as they become due and has sufficient working capital to fund its operations for 12 months following the Closing Date;
- (h) the Company is a reporting issuer not in default under the applicable Canadian Securities Laws of each of the Qualifying Provinces;
- (i) all consents, approvals, permits, authorizations or filings as may be required of the Company under Applicable Securities Laws necessary for the execution and delivery of this Agreement, the Warrant Indenture and the certificate(s) representing the Agent's Warrants, the issuance and sale of the Unit Shares and Warrants comprising the Units, the issuance of the Warrant Shares upon exercise of the Warrants, the granting of the Agent's Warrants and issuance of the Agent's Warrant Shares upon exercise thereof and the consummation of the transactions contemplated by this Agreement, the Warrant Indenture and the certificate(s) representing the Agent's Warrants have been made or obtained, as applicable, or will be made or obtained prior to the Closing Time, other than customary post-closing filings required to be submitted within the applicable timeframe pursuant to Applicable Securities Laws;
- (j) the Company has taken all necessary corporate action to authorize and approve the issuance and sale of the Units. The Unit Shares have been authorized and reserved for issuance and, upon payment of the requisite consideration therefor, the Unit Shares will, when issued, be validly issued as fully paid and non-assessable Common Shares of the Company;
- (k) the Company has taken all necessary corporate action to authorize and approve the issuance of the Warrant Shares issuable upon the due exercise of the Warrants. The Warrant Shares have been authorized and reserved for issuance and, upon payment in full

of the applicable exercise price therefor in accordance with the terms of the Warrants, the Warrant Shares will, when issued, be validly issued as fully paid and non-assessable Common Shares of the Company;

- (l) the Company has taken all necessary corporate action to authorize and approve the granting of the Agent's Warrants and the issuance of the Agent's Warrant Shares issuable upon the due exercise of the Agent's Warrants. The Agent's Warrant Shares have been authorized and reserved for issuance and, upon payment in full of the applicable exercise price therefor in accordance with the terms of the Agent's Warrants, the Agent's Warrant Shares will, when issued, be validly issued as fully paid and non-assessable Common Shares of the Company;
- (m) the Warrants have or, prior to the Closing Time, will have the attributes set out in the Warrant Indenture, which are accurately described in the Prospectus;
- (n) the Agent's Warrants have, or prior to the Closing Time, will have the attributes set out in the certificate(s) representing the Agent's Warrants which are accurately described in the Prospectus;
- (o) each of the execution and delivery of this Agreement, the Warrant Indenture and the certificates representing the Agent's Warrants, and the performance by the Company of its obligations hereunder and thereunder, including the issue and sale of the Unit Shares and Warrants comprising the Units, the issuance of the Warrant Shares upon exercise of the Warrants, and the grant of the Agent's Warrants and the issuance of the Agent's Warrant Shares upon exercise thereof, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both): (i) any statute, rule or regulation in effect at the date hereof applicable to the Company including, without limitation, the Canadian Securities Laws; (ii) the articles, notice of articles or resolutions of the directors and the shareholders of the Company which are in effect at the date hereof; (iii) any Material Agreement, any Debt Instrument, or any other indenture, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound; or (iv) any judgment, decree or order binding the Company or the property or assets of the Company;
- (p) the Company is in compliance with the timely and continuous disclosure obligations under the Canadian Securities Laws and, without limiting the generality of the foregoing, there has not occurred any adverse material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, affairs, operations, capital, prospects or condition (financial or otherwise) of the Company since January 1, 2020, which has not been publicly disclosed on a non-confidential basis and all the statements set forth in the Company's Information Record are true, correct, and complete in all material respects and do not contain any misrepresentation as of the date of such statements and the Company has not filed any confidential material change reports since the date of such statements;
- (q) since January 1, 2020, except as disclosed in the Company's Information Record, the Company has not approved, entered into any agreement in respect of, and does not have any knowledge of:
  - (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest

- therein currently owned, directly or indirectly, by the Company or the Subsidiary whether by asset sale, transfer of securities or otherwise;
- (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Company or the Subsidiary or otherwise) of the Company or the Subsidiary; or
  - (iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding securities of the Company or the Subsidiary;
- (r) the Audited Financial Statements incorporated by reference in the Prospectus have been prepared in accordance with International Financial Reporting Standards, applied on a basis consistent with prior periods (other than in respect of the adoption of International Financial Reporting Standards as described in the Audited Financial Statements), and present fairly the financial position and condition of the Company and the Subsidiary, taken as a whole, as at the dates thereof and for the periods indicated and reflect all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company and the Subsidiary and the results of their operations and the changes in their financial position for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Company and there has been no material change in the accounting policies or practices of the Company since January 1, 2020;
- (s) the Company's Auditors who audited the Financial Statements are independent with respect to the Company within the meaning of Applicable Securities Laws and there has not been any reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations of the Canadian Securities Administrators*) with the Company's Auditors or any former auditors of the Company during the past five financial years;
- (t) except as disclosed in the Prospectus, no person has any agreement, option, right or privilege (whether at law, pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for, issue of, or conversion into any of the unissued shares or other securities or convertible obligations of any nature of the Company other than pursuant to the provisions of this Agreement;
- (u) to the Best of the Company's Knowledge, no agreement among or involving insiders of the Company is in force or effect which in any manner affects the voting or control of any of the securities of the Company or the Subsidiary;
- (v) no legal or governmental proceedings are pending or, to the Best of the Company's Knowledge, threatened to which the Company or the Subsidiary is a party or to which its property or assets is subject that could or would result in the revocation or modification of any certificate, authority, permit or license necessary to conduct the business now owned or operated by the Company or the Subsidiary which, if the subject of an unfavourable decision, ruling or finding would have a Material Adverse Effect;
- (w) neither the Company 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 Company or any Governmental Authority) pending to which the Company or the Subsidiary is a party or of which any property or assets of the Company or the Subsidiary is the subject and, to the Best of the Company's Knowledge, no such proceedings or investigations have been threatened or contemplated by any Governmental Authority or any other parties;

- (x) neither the Company nor the Subsidiary owns any real property. Any real property or building held under lease by the Company or the Subsidiary, which is material, individually or in the aggregate, to the Company 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 Company;
- (y) each of the Company 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 Company's Information Record free and clear of all liens and defects of title except such as are disclosed in the Company's Information Record, and (i) no other material property or assets are necessary for the conduct of the Business as currently conducted, (ii) the Company has no knowledge of any claim or the basis for any claim that might or could materially and adversely affect the right of the Company or the Subsidiary to use, transfer or otherwise exploit such property or assets, and (iii) neither the Company nor the Subsidiary has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property and assets thereof;
- (z) neither the Company nor the Subsidiary is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, debenture, credit facility, trust deed, mortgage, loan agreement, note, option, lease or other agreement or instrument to which it is a party or by which it or its property may be bound that could reasonably be expected to result in a Material Adverse Effect;
- (aa) any and all of the agreements and other documents and instruments pursuant to which the Company or the Subsidiary holds its property and assets are valid and subsisting agreements, documents or instruments in full force and effect, enforceable against the Company or the Subsidiary, as applicable, in accordance with the terms thereof, neither the Company nor the Subsidiary is in default of any of the provisions of any such agreements, documents or instruments nor has any such default been alleged and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licences and claims pursuant to which the Company or the Subsidiary derives its interests in such property and assets are in good standing and there has been no default under any such lease, licence or claim that could reasonably be expected to result in a Material Adverse Effect;
- (bb) no counterparty to any obligation, agreement, covenant or condition contained in any contract or other instrument to which the Company or the Subsidiary is a party is in default in the performance or observance thereof that could reasonably be expected to result in a Material Adverse Effect;
- (cc) neither the Company nor the Subsidiary are party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company or the Subsidiary to compete in any line of business, transfer or

move any of their assets or operations or which materially or adversely affects the business practices, operations or condition of the Company or the Subsidiary;

- (dd) with respect to each premises which is material to the Company or the Subsidiary and which the Company or the Subsidiary occupies as tenant (the "**Premises**"), the Company or the Subsidiary (as applicable) occupies the Premises and has the exclusive right to occupy and use the Premises and neither the Company nor the Subsidiary is in breach or violation of or in default under any of the leases pursuant to which the Company or the Subsidiary (as applicable) occupies the Premises and to the Best of the Company's Knowledge, such leases are in good standing and in full force and effect;
- (ee) except as disclosed in the Prospectus, the Company or the Subsidiary, as applicable, is, the owner or authorized licensee or sub-licensee of all the Intellectual Property necessary to conduct the business of the Company and the Subsidiary, respectively, as such business is currently conducted and proposed to be conducted;
- (ff) there has been no claim of any infringement or breach by any of the Company or the Subsidiary of any industrial, patent or Intellectual Property Rights of any other Person, nor has any of the Company or the Subsidiary received any notice, nor is the Company otherwise aware, that the use of the business names, trademarks, service marks and industrial, patent or copyright or other intellectual property of any of the foregoing infringes upon or breaches any industrial, patent, copyright or other intellectual property rights of any other Person and the Company has no knowledge of any infringement or violation of any of their respective rights or the rights of any of the Company or the Subsidiary in such industrial, patent, copyright and other intellectual property and the Company is not aware of any state of facts which casts doubt on the validity or enforceability of any of such industrial, patent, copyright or other intellectual property rights;
- (gg) the Company's Information Record sets forth a true and complete list of all material Intellectual Property owned or used by the Company and the Subsidiary, together with the details of any registrations and applications for registration with respect thereto;
- (hh) the registrations and applications for registration listed in the Company's Information Record are valid and subsisting, in good standing, and enforceable against third parties and are recorded, maintained and renewed in the name of the Company and/or the Subsidiary, in the appropriate registries or government offices to preserve the rights of the Company and/or the Subsidiary, thereof and thereto. To the Best of the Company's Knowledge, there are no facts or issues which currently exist with respect to the any patent applications listed in the Company's Information Record that are likely to result in such applications being rejected by the relevant intellectual property office;
- (ii) each of the Company 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;
- (jj) the Company 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;

- (kk) each of the Company 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 Company 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;
- (ll) 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 Company 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 Company 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;
- (mm) 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 Company 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;
- (nn) neither the Company nor the Subsidiary is a party to any action or proceeding, nor, to the Best of the Company'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 Company, 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;
- (oo) the conduct of the Business by the Company 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 Company, 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 Company or the Subsidiary infringes or otherwise violates (or would infringe or otherwise violate upon commercialization of the Company's or the Subsidiary's products or services under development) any Intellectual Property of others, and the Company has no knowledge of any facts which form a reasonable basis for any such claim;
- (pp) 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 Company or the Subsidiary. Neither the Company 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 Company or the Subsidiary to grant or offer to any third party any license or right to the Intellectual Property or any element thereof;

- (qq) the Company's Information 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 Company or the Subsidiary, identifying whether such Software is (i) owned by the Company or the Subsidiary; (ii) customized for the Company or the Subsidiary, the object code and source code of which are licensed for use by the Company or the Subsidiary; (iii) customized for the Company or the Subsidiary, only the object code of which is licensed to the Company 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;
- (rr) each of the Company and the Subsidiary has in its possession copies of all source code for all Software owned by the Company 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 Company 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 Company or the Subsidiary. Each object code copy so distributed is the subject of a valid, existing and enforceable license agreement;
- (ss) except as disclosed in the Company's Information Record, none of the Software owned by, licensed to or used by the Company 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 Company or the Subsidiary, as applicable, to make source code publicly available, whether or not approved by the "Open Source Initiative";
- (tt) the Acquisition was completed in accordance with applicable Laws and the policies, rules and regulations of the CSE, and all approvals, permits, consents, orders or other authorizations required under applicable Laws to permit the Acquisition were obtained by the Company and the Subsidiary;
- (uu) neither the marketing, licence, distribution, sale or use of any product or service currently marketed, licensed, distributed, sold or used by the Company violates any license or agreement of the Company with any Person, which violation or the consequences thereof would alone or in the aggregate have a Material Adverse Effect or, without independent investigation or enquiry, infringes upon the industrial or Intellectual Property Rights of any other Person, whether common law or statutory, including rights relating to defamation, rights of privacy or publicity and contractual rights;

- (vv) neither the Company nor the Subsidiary is a party to any action or proceeding, nor, to the Best of the Company's Knowledge, is or has any action or proceeding been threatened that alleges that any current or proposed conduct of their respective businesses have or will infringe, violate or misappropriate or otherwise conflict with any material Intellectual Property Rights of any Person;
- (ww) the Company and the Subsidiary have taken reasonable precautions and taken reasonable measures to protect and preserve the security and confidentiality of their trade secrets and other confidential information, and, to the Best of the Company's Knowledge, none of the trade secrets or other confidential information of the Company or the Subsidiary are part of the public domain or knowledge, nor have any trade secrets or confidential information been misappropriated by any Person having an obligation to maintain such trade secrets or other confidential information in confidence for the Company or the Subsidiary;
- (xx) the Company and the Subsidiary have conducted and are conducting their respective business in material compliance with all applicable Laws of each jurisdiction in which they carry on business and have not received a notice of non-compliance, and do not know of, or have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Laws;
- (yy) neither the Company nor the Subsidiary have ever been in violation of, in connection with the ownership, use, maintenance or operation of their respective property and assets, any applicable Laws, permits, licences, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters which violations have a Material Adverse Effect;
- (zz) (i) each of the Company 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 Company 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 Company 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 Company 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;
- (aaa) all forward-looking information and statements of the Company contained in the Company's Information 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 Company has updated such forward-looking information and statements as required by and in compliance with Applicable Securities Laws;



- (bbb) the statistical, industry and market related data included in the Company's Information Record are derived from sources which the Company reasonably believes to be accurate, reasonable and reliable, and such data agrees with the sources from which it was derived;
- (ccc) except in compliance with applicable Laws, neither the Company 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 Company 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 Company 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;
- (ddd) to the Best of the Company's Knowledge, after due inquiry, each of the Company 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;
- (eee) there have been no past unresolved, pending or, to the Best of the Company's Knowledge, threatened claims, complaints, notices or requests for information received by the Company or the Subsidiary with respect to any alleged material violation of any law, statute, order, regulation, ordinance or decree; and no conditions exist at, on or under any property now owned, operated or leased by the Company or the Subsidiary which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or may reasonably be expected to have any Material Adverse Effect;
- (fff) Odyssey Trust Company at its principal offices in Vancouver, British Columbia, has been duly appointed as the registrar and transfer agent in respect of the Common Shares;
- (ggg) the Common Shares are listed and posted for trading on the CSE;
- (hhh) neither the Company nor the Subsidiary has taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the CSE and the Company is currently in material compliance with the rules and regulations of the CSE;
- (iii) there are no actions, suits, judgments, investigations, inquiries or proceedings of any kind whatsoever outstanding (whether or not purportedly on behalf of the Company or the Subsidiary), pending or, to the Best of the Company's Knowledge, threatened against or affecting the Company or the Subsidiary at Law or in equity or before or by any

Governmental Authorities of any kind whatsoever and, to the Best of the Company's Knowledge, there is no basis therefor and neither the Company nor the Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority which, either separately or in the aggregate, could reasonably be expected to result in a Material Adverse Effect or would adversely affect the ability of the Company to perform its obligations under this Agreement;

- (jjj) as at the date hereof, the authorized capital of the Company consists of an unlimited number of Common Shares, of which 162,850,101 Common Shares are issued and outstanding as fully paid and non-assessable;
- (kkk) none of the directors, officers or employees of the Company or of the Subsidiary, nor any Person who owns, directly or indirectly, more than 10% of any class of securities of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction or any proposed transaction with the Company or the Subsidiary which materially affects, is material to or will materially affect the Company on a consolidated basis;
- (lll) the Company and the Subsidiary are in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages and has not and is not engaged in any unfair labour practice;
- (mmm) no material labour dispute with current or former employees of the Company or the Subsidiary exists or is imminent and the Company has no knowledge of any existing, threatened or imminent labour disturbance by the employees of the Company or the Subsidiary;
- (nnn) neither the Company nor the Subsidiary has or maintains any benefit, insurance, retirement savings or other similar plan for employees or former employees of the Company or the Subsidiary;
- (ooo) except as disclosed in the Company's Information Record, the Company 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 Company has no reason to believe that it will not be able to renew the existing insurance coverage of the Company 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;
- (ppp) each of the Company 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 Company 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 Company or by the Subsidiary; there are no actions, suits, proceedings, investigations, audits or other claims pending or, to the Best of the Company's Knowledge, threatened against the Company 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;

- (qqq) there are no liens for taxes on the assets of the Company or the Subsidiary, and, to the Best of the Company's Knowledge, there are no audits pending of the tax returns of the Company or the Subsidiary (whether federal, state, provincial, local or foreign) and there are no claims which have been or to the Company's knowledge may be asserted relating to any such tax returns;
- (rrr) the definitive form of certificate representing the Common Shares is in proper form under the Laws of Canada and complies in all material respects with the requirements of the CSE and does not conflict with the constating documents of the Company;
- (sss) within the last 12 months, the Company has not declared or paid any dividends or declared or made any other payments or distributions on or in respect of any of its securities and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of its securities or agreed to do so or otherwise effected any return of capital with respect to such securities;
- (ttt) there is not, in the constating documents of the Company or in any Material Agreement, Debt Instrument or any other indenture, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Company or the payment of dividends by the Company to the holders of its Common Shares;
- (uuu) no Securities Commission nor the CSE has issued any order requiring trading in any of the Company's securities to cease or preventing the distribution of the Units in any Selling Jurisdiction nor instituted proceedings for that purpose and to the Best of the Company's Knowledge, no such proceedings are pending or contemplated;
- (vvv) neither the Company nor the Subsidiary has received notice from any Governmental Authority of any jurisdiction in which it carries on a material part of its business, or owns or leases any material property, of any restriction on its ability to or of a requirement for it to qualify to, nor is it otherwise aware of any restriction on its ability to or of a requirement for it to qualify to, conduct its business as described in the Prospectus in such jurisdiction, except as would not result in a Material Adverse Effect;
- (www) since January 1, 2020: (i) there has not been any adverse material change or change in material fact (actual, proposed, threatened or contemplated) in the business, affairs, operations, capital, prospects, assets, liabilities or obligations (contingent or otherwise) of the Company or the Subsidiary; (ii) there has not been any adverse material change in the consolidated financial position of the Company; (iii) other than as disclosed in the Company's Information Record, there has not been any material change in the capital or long-term debt of the Company and the Subsidiary on a consolidated basis; and (iv) there has been no material transaction entered into by the Company or the Subsidiary, other

than those disclosed in the Company's Information Record or entered into in the ordinary course of business;

- (xxx) the Company and the Subsidiary maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and/or International Financial Reporting Standards, as applicable, and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
- (yyy) other than as disclosed in the Audited Financial Statements, there are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Company or the Subsidiary with unconsolidated entities or other persons that could reasonably be expected to have a Material Adverse Effect;
- (zzz) the Company and the Subsidiary are not party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument other than as disclosed in the Company's Information Record and neither the Company nor the Subsidiary has made any loans to, or guaranteed the obligations of, any Person;
- (aaaa) each of the Company 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 Company, any Subsidiary, or any other person, any material obligation, agreement, covenant or condition contained in any of the Material Agreements. To the Best of the Company's Knowledge, there is no dispute between the Company or the Subsidiary and any other party under any of the Material Agreements. Neither the Company 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;
- (bbbb) other than the Company, there is no Person that is or will be entitled to demand the proceeds of the Offering;
- (cccc) there is no requirement under any agreement or applicable Laws (including Canadian Securities Laws) or otherwise, for the Company to obtain the approval of its shareholders to complete the Offering;
- (dddd) the Offering will not cause the Company, the Subsidiary or any other party thereto to become in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Company or the Subsidiary or such other Person under any Debt Instrument, Material Agreement or other instrument, document or

arrangement (including all option agreements) to which the Company or the Subsidiary are a party or otherwise bound;

- (eeee) the Company and the Subsidiary have not made any significant acquisition, as such term is defined in Part 8 of NI 51-102, in its current financial year or prior financial years in respect of which historical and/or pro forma financial statements or other information would be required to be included or incorporated by reference into the Prospectus and for which a business acquisition report has not been filed under NI 51-102, the Company has not entered into any agreement or arrangement in respect of a transaction that would be a significant acquisition for purposes of Part 8 of NI 51-102 and there are no proposed acquisitions by the Company that have progressed to the state where a reasonable Person would believe that the likelihood of the Company completing the acquisition is high and would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the Final Prospectus;
- (ffff) the minute books and records of the Company and the Subsidiary made available to the Agent's counsel in connection with its due diligence investigation of the Company for the periods from incorporation to the date of examination thereof are all of the minute books and records of the Company 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 Company or the Subsidiary, as applicable, to the date of review of such corporate records and minute books;
- (gggg) all information which has been prepared by the Company relating to the Company 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;
- (hhhh) neither the Company nor, to the Best of the Company's Knowledge, its officers or directors are aware of any circumstances presently existing under which liability is or could reasonably be expected to be incurred by the Company under the Act;
- (iiii) except for the Agent as provided herein, there is no person, firm or corporation acting for the Company entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder;
- (jjjj) other than the Subsidiary, the Company does not own, directly or indirectly, or exercise Control or direction over, and has not agreed to acquire outstanding securities of any other corporation or options to acquire securities of any other corporation, other than marketable securities held in the ordinary course of business, or a participating interest in any partnership, joint venture or other business enterprise;
- (kkkk) (i) the Responses given by the Company 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 Company or its officers (including Responses or portions of such Responses which are forward-looking or otherwise relate to projections, forecasts, or estimates of future performance or results (operating, financial or otherwise)), such opinions or views have been and will be honestly held and believed to be reasonable at the time they are given;

(III) the Company has not withheld from the Agent any adverse material facts relating to the Company, the Subsidiary or the Offering;

(mmmm) to the Best of the Company's Knowledge, the Company has not sold or issued its securities to any persons who had knowledge of material non-public information regarding the Company;

(nnnn) the Company is not aware of any legislation, or proposed legislation (published by a legislative body), which it anticipates will have a Material Adverse Effect;

(oooo) there are no material judgments against the Company which are unsatisfied, nor are there any consent decrees or injunctions to which the Company is subject;

(pppp) neither the Company nor the Subsidiary, nor, to the Best of the Company's Knowledge, any of their respective employees or agents, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any Law, or made any payment to any foreign, Canadian, United States or provincial or state governmental officer or official or other Person charged with similar public or quasi-public duties, other than payments required or permitted by applicable Laws;

(qqqq) neither the Company nor the Subsidiary has, nor, to the Best of the Company's Knowledge, has any director, officer, employee, consultant, representative or agent thereof: (i) violated any anti-bribery or anti-corruption laws applicable to the Company 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 Company or the Subsidiary in obtaining or retaining business for or with, or directing business to, any person;

(rrrr) the operations of the Company and the Subsidiary are, and, to the Best of the Company'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 Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

- (ssss) each of the Company 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 Company 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 Company 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;
- (tttt) each of the Company 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 Company 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 Company 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.
- (uuuu) neither the Company nor the Subsidiary has any liabilities, direct or indirect, contingent or otherwise, not disclosed in the Prospectus which materially adversely affects the Company or the Subsidiary, on a consolidated basis, or would reasonably be expected to have a Material Adverse Effect;
- (vvvv) the Company does not have any loans or other indebtedness outstanding, outside the normal course of business, which has been made to any of their respective shareholders, officers, directors or employees, past or present, or any Person not dealing at arm's length with them; and
- (wwww) the Company is an Eligible Issuer and is a "reporting issuer" (as that term is defined under Canadian Securities Laws) or the equivalent in the Qualifying Provinces and, upon receiving the final receipt in respect of the Final Prospectus and at the Closing Time, will be a reporting issuer or the equivalent in each of the Qualifying Provinces, not in default of any requirement under Canadian Securities Laws, and not on the lists of defaulting reporting issuers maintained by the Securities Commissions in the Qualifying Provinces.

**7. Closing.** The purchase and sale of the Units shall be completed by electronic means at the Closing Time or by such other means as the Agent and the Company may agree. At the Closing Time, the Company shall duly and validly deliver to the Agent the Unit Shares and Warrants via electronic deposit representing the Unit Shares and Warrants registered in the name of CDS & Co. or in such other name or names as the Agent may notify the Company in writing not less than 48 hours prior to Closing Time, against payment by the Agent to the Company, at the direction of the Company, in lawful money of Canada by wire transfer or, of an amount equal to the gross proceeds from the sale of the Units issued and sold hereunder less the Cash Commission and the expenses of the Agent payable by the Company to the Agent in accordance with Section 16 hereof.

The obligation of the Agent and the Company to complete the Closing shall be subject to the condition that subscriptions for a minimum of 16,000,000 Units have been received and not withdrawn on or before the Closing Date in respect of such Units and subject to the condition that all applicable periods during which purchasers may withdraw subscriptions under Applicable Securities Laws shall have expired. Pending satisfaction of these conditions and the conditions set out in Section 8, proceeds from subscriptions will be held by the Agent. If these conditions are not satisfied or the closing of the Offering does not occur for any other reason, the Agent shall ensure that the subscription proceeds received from prospective purchasers are returned by the Agent to such purchasers promptly without interest or deduction.

**8. Agent's Conditions of Closing.** Subject to Section 10, the obligation of the Agent to complete the Closing and arrange for the purchase of the Units at the Closing Time shall be subject to the satisfaction of each of the following conditions:

- (a) the Agent shall have received an opinion, dated as of the Closing Date and subject to customary qualifications, of McMillan LLP and opinions of local counsel as applicable in the Qualifying Provinces (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company; and (ii) as to matters of fact not independently established, on certificates of the Company's auditors or a public official) with respect to the following matters:
  - (i) as to the incorporation and subsistence of the Company under the Laws of British Columbia;
  - (ii) as to the corporate power of the Company to carry out its obligations under this Agreement and to offer, sell and issue the Units;
  - (iii) as to the corporate power of the Company to grant the Agent's Warrants and to carry out its obligations thereunder and to issue the Agent's Warrant Shares upon the exercise thereof;
  - (iv) as to the authorized capital of the Company;
  - (v) the Company having taken all necessary corporate action to authorize the execution and delivery of this Agreement, the Warrant Indenture and the certificate(s) representing the Agent's Warrants, and performance of its obligations hereunder and thereunder and that this Agreement, the Warrant Indenture and the certificate(s) representing the Agent's Warrants each constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its respective terms (except as such



enforceability may be limited by bankruptcy, insolvency, receivership and other similar laws affecting the rights of creditors generally, or by general principles of equity);

- (vi) the execution and delivery of this Agreement, the Warrant Indenture and the certificate(s) representing the Agent's Warrants, and the performance by the Company of its obligations hereunder and thereunder, and the issue and sale of the Unit Shares and the Warrants comprising the Units, the Warrant Shares, the Agent's Warrants and the Agent's Warrant Shares does not and will not conflict with, result in a breach of or create a state of facts which, whether with or without the giving of notice or lapse of time or both, will result in a breach or violation of:
  - (A) any of the terms, conditions or provisions of the articles, notice of articles or resolutions of the board of directors or the shareholders of the Company;
  - (B) any statute, rule or regulation of the Province of British Columbia or the laws of Canada applicable therein; or
  - (C) any judgement, decree or order of any government, governmental, regulatory or administrative agency, authority, commission or instrumentality or court having jurisdiction over or binding the Company or its properties or assets;
- (vii) no consent, approval, authorization or order of or filing, registration or qualification with any Governmental Authority having jurisdiction is required as at the date hereof for the execution and delivery by the Company of this Agreement, the Warrant Indenture and the certificate(s) representing the Agent's Warrants, and the performance by the Company of its obligations hereunder and thereunder, except for such as have been made or obtained;
- (viii) the rights, privileges, restrictions and conditions attaching to the Unit Shares and Warrants comprising the Units are accurately summarized in all material respects in the Final Prospectus;
- (ix) the Unit Shares have been duly authorized and validly issued as fully paid and non-assessable Common Shares and the Warrants have been duly authorized and validly issued as fully paid and non-assessable securities of the Company;
- (x) the Warrant Shares and the Agent's Warrant Shares have been duly authorized and reserved for issuance and, upon payment in full of the applicable exercise price therefor in accordance with the terms of the Warrants and the Agent's Warrants, respectively, will, when issued, be validly issued as fully paid and non-assessable Common Shares of the Company;
- (xi) all necessary corporate action has been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus, the Amended and Restated Prospectus, the Final Prospectus and any Supplementary Material and the filing thereof with the Securities Commissions in the Qualifying Provinces;

- (xii) all necessary documents have been filed, all necessary proceedings have been taken and all legal requirements have been fulfilled as required under Canadian Securities Laws in the Qualifying Provinces to qualify the Distribution of the Units to the public in each of the Qualifying Provinces by or through investment dealers duly registered under the Canadian Securities Laws who have complied with the relevant provisions of such Laws and the terms of their registration and to qualify the Distribution of the Agent's Warrants and the Agent's Warrant Shares;
  - (xiii) that the form of the share certificate representing the Common Shares complies with the requirements under the *Business Corporations Act* (British Columbia) and such certificate conforms, in all material respects, with the rules of the CSE and has been duly approved by the Company;
  - (xiv) the disclosure in the Final Prospectus under the heading "Eligibility for Investment" and under the heading "Certain Canadian Federal Income Tax Considerations" is a fair and accurate summary of the matter to which it relates;;
  - (xv) the Warrants have been conditionally approved for listing on the CSE, subject only to the Standard Listing Conditions;
  - (xvi) that the Company is a "reporting issuer" under Canadian Securities Laws and is not on a list of defaulting reporting issuers maintained by any Securities Commission; and
  - (xvii) as to such other matters as the Agent's legal counsel may reasonably request prior to the Closing Time;
- (b) the Agent shall have received from local counsel in the jurisdiction of incorporation, of the Subsidiary, a legal opinion, in form and substance satisfactory to the Agent and its counsel, acting reasonably, with respect to the following matters:
- (i) the Subsidiary is a corporation or other form of entity existing under the laws of the jurisdiction in which it was incorporated, organized, formed, amalgamated or continued, as the case may be, and has all requisite corporate power to carry on its business as now conducted and to own, lease and operate its property and assets; and
  - (ii) all of the issued and outstanding shares or other ownership interests or rights of the Subsidiary are registered, directly or indirectly, in the name of the Company;
- (c) the Agent shall have received evidence of the issuance, subject to receipt of the purchase price therefor, of the Unit Shares and Warrants in form and substance satisfactory to the Agent, acting reasonably, through electronic deposit;
- (d) the Company shall have delivered to the Agent without charge and in such numbers as the Agent may reasonably request, on the next Business Day after the issuance of the receipt or deemed receipt for the Final Prospectus or any Supplementary Material, as the case may be, in each of the Qualifying Provinces, or such later time as may be agreed upon by the Company and the Agent in such Canadian cities as the Agent may

reasonably request, the reasonable requirements of conformed commercial copies of the Final Prospectus, and any Supplementary Material, if applicable;

- (e) the Company shall have complied with all of its covenants and obligations under this Agreement required to be satisfied at or prior to the Closing Time;
- (f) the Agent shall have received a certificate, dated as of the Closing Date, of an officer of the Company, addressed to the Agent in form and substance satisfactory to the Agent, acting reasonably, with respect to:
  - (i) the constating documents and articles of the Company;
  - (ii) the resolutions of the directors of the Company relevant to the issue and sale of the Units and the authorization of this Agreement and other agreements and transactions contemplated by this Agreement; and
  - (iii) the incumbency and signatures of signing officers of the Company;
- (g) the Agent shall have received a certificate, dated as of the Closing Date, of the President and Chief Executive Officer and the Chief Financial Officer of the Company (or such other officer or officers of the Company acceptable to the Agent, acting reasonably), addressed to the Agent and its counsel, certifying, for and on behalf of the Company, after having made due inquiries, with respect to the following matters:
  - (i) the Company has complied with all the covenants and satisfied all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
  - (ii) the representations and warranties of the Company contained herein are true and correct as at the Closing Time, with the same force and effect as if made on and as at the Closing Time after giving effect to the transactions contemplated hereby;
  - (iii) no order, ruling or determination having the effect of ceasing the trading or suspending the sale of the Common Shares or any other securities of the Company has been issued by any Securities Commissions and is continuing in effect and no proceedings for such purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Applicable Securities Laws or by any Securities Commissions;
  - (iv) since the date information is given in the Final Prospectus (A) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, operations, capital, prospects, assets or liabilities (contingent or otherwise) of the Company or the Subsidiary on a consolidated basis, and (B) no transaction has been entered into by the Company or the Subsidiary which constitutes a material change to the Company on a consolidated basis, other than as disclosed in the Final Prospectus or the Supplementary Material, as the case may be; and
  - (v) there has been no change in any material fact (which includes the disclosure of any previously undisclosed material fact) contained in the Final Prospectus which

fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus misleading or untrue in any material respect or which would result in a misrepresentation in the Final Prospectus or which would result in the Final Prospectus not complying with applicable Canadian Securities Laws in the Qualifying Provinces, and each such statement shall be true and the Agent shall have no knowledge to the contrary;

- (h) the Agent shall have received a letter dated as of the Closing Date, in form and substance satisfactory to the Agent, addressed to the Agent from the Company's Auditors confirming the continued accuracy of the comfort letter delivered to the Agent pursuant to subsection 3(a)(iii) hereof with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Closing Date, which changes shall be acceptable to the Agent;
- (i) the Agent and its counsel shall have been provided with information and documentation, reasonably requested relating to their due diligence inquiries and investigations and shall not have identified any undisclosed Material Adverse Changes or misrepresentations in the Company's Information Record;
- (j) the Agent shall have received a corporate certificate of good standing (or equivalent) in respect of each of the Company and the Subsidiary;
- (k) the Agent shall have received satisfactory evidence that the Company is not in default under applicable Canadian Securities Laws in the Qualifying Provinces;
- (l) the Agent shall have received a certificate or other document from Odyssey Trust Company dated the Closing Date as to the number of Common Shares issued and outstanding as at the close of business on the Business Day prior to the Closing Date;
- (m) the Agent shall have received a lock-up agreement from each of the directors and officers of the Company substantially in the form attached hereto as Schedule "A" subject to such changes as may be agreed to by the Agent;
- (n) the Agent shall have received satisfactory evidence that the Company has obtained all necessary waivers, consents and/or approvals of the transactions contemplated herein, if any; and
- (o) the Agent shall have received the certificate(s) representing the Agent's Warrants.

**9. Restrictions on Further Issues or Sales.** Other than in connection with the Offering, during the period commencing on the date hereof until the earlier of: (i) 90 days following the Closing Date; and (ii) September 1, 2021, the Company shall not, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible or exercisable into Common Shares, other than in connection with: (A) the grant or exercise of stock options to or by directors, officers, employees and consultants of the Company pursuant to the terms of the current stock option plan of the Company and other share compensation arrangements and the issuance and sales of Common Shares relating thereto; (B) to satisfy existing instruments and agreements executed and outstanding as of the date hereof; in each case without

the prior written consent of the Agent, such consent not to be unreasonably withheld; and (C) the Non-Brokered Placement.

**10. All Terms to be Conditions.** The Company agrees that the conditions contained in Section 8 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and that it will use its commercially reasonable efforts to cause all such conditions to be complied with. Any material breach or failure to comply with any of the conditions set out in Section 8 shall entitle the Agent, in addition to its rights in Section 11, to terminate its obligations hereunder, by written notice to that effect given to the Company at or prior to the Closing Time. It is understood that the Agent may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agent in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agent any such waiver or extension must be in writing and signed by the Agent.

**11. Termination Events.** The Agent may terminate its obligations on or before the Closing Time if, commencing on the date hereof and prior to the Closing Time:

- (a) *due diligence out* – the Agent is not satisfied in its discretion with its due diligence review and investigations of the Company; or
- (b) *material adverse change out* – there shall have occurred any material change or change in any material fact, or there should be discovered any previously undisclosed material change or material fact in relation to the Company required to be disclosed in the Preliminary Prospectus, Amended and Restated Prospectus, the Final Prospectus or any Supplementary Materials, in each case which, in the reasonable opinion of the Agent, has or would be expected to have a Material Adverse Effect on the market price or value of the Units or any other securities of the Company; or
- (c) *cease trade out* – any order to cease or suspend trading in any securities of the Company or prohibiting or restricting the distribution of any securities of the Company, including the Unit Shares and Warrants comprising the Units, is made, or proceedings are announced, commenced or threatened for the making of any such order, by any Securities Commission or similar regulatory authority, the CSE or any other competent authority, and has not been rescinded, revoked or withdrawn; or
- (d) *market out* – the state of the financial markets, whether national or international, is such that, in the opinion of the Agent, it would be impractical or unprofitable to offer or continue to offer the Units for sale; or
- (e) *disaster out* – there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, terrorism or accident) or major occurrence of national or international consequence (including, without limitation, pandemics or epidemics) or any law or regulation is enacted or changed, which, in the sole opinion of the Agent, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Company and the Subsidiary taken as a whole, and for greater certainty, includes any material adverse development related to the COVID-19 pandemic after the date hereof or similar event or the escalation thereof; or
- (f) *investigation out* – there is an inquiry, action, investigation or other proceeding (whether formal or informal) commenced, announced or threatened or an order made by any

federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, including, without limitation, the CSE or any Securities Commission, in relation to the Company or any one of its officers or directors (except for any inquiry, action, suit, proceeding, investigation or order based upon activities of the Agent and not upon activities of the Company), which in the opinion of the Agent, acting reasonably, operates to prevent or materially restrict the distribution or trading of the Units or Unit Shares, as the case may be, or, which in the reasonable opinion of the Agent, materially and adversely affects or would be reasonably expected to materially and adversely affect the market price or value of the Units or Unit Shares, as the case may be, or any other securities of the Company; or

- (g) *breach of agreement out* – the Company is in breach of any material term, condition or covenant of this Agreement or any material representation or warranty given by the Company in this Agreement becomes or is false.

Upon the occurrence of any of the foregoing events, the Agent shall be entitled to terminate and cancel its obligations to the Company hereunder by written notice to that effect given to the Company prior to the Closing.

**12. Exercise of Termination Right.** If this Agreement is terminated by the Agent pursuant to Sections 10 and 11, there shall be no further liability to the Company on the part of the Agent or of the Company to the Agent, except in respect of any liability which may have arisen or may thereafter arise under Sections 14 and 15. The right of the Agent to terminate its obligations under this Agreement is in addition to such other remedies as it may have in respect of any default, act or failure to act of the Company in respect of any of the matters contemplated by this Agreement.

**13. Survival of Representations and Warranties.** Subject to the following sentence, all terms, warranties, representations, covenants and agreements herein contained or contained in any documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and will continue in full force and effect for the benefit of the Agent and the Company, as the case may be, regardless of any subsequent disposition of the Units for a period ending on the later of: (a) the date that is two years following the Closing Date, and (b) the latest date under Canadian Securities Laws that an action may be commenced or a right of rescission may be exercised with respect to a misrepresentation contained in the Final Prospectus or, if applicable, any Supplementary Material. Notwithstanding the foregoing, the covenants and agreements in Sections 14, 15, 16, 20 and with respect to the payment of the Cash Commission shall survive the Closing and will continue in full force and effect for the benefit of the Agent and the Company, as the case may be. The Agent and the Company, as the case may be, will be entitled to rely on the representations and warranties of the other parties contained in this Agreement or delivered pursuant to this Agreement notwithstanding any investigation, which the Agent or the Company, as the case may be, may undertake or which may be undertaken on the Agent's or Company's behalf, as the case may be.

**14. Indemnity.** The Company (the "**Indemnitor**") covenants and agrees to indemnify and hold the Agent, each of the Agent's subsidiaries and affiliates, and each of the Agent's directors, officers, employees, partners, unitholders, agents and shareholders (collectively, the "**Indemnified Parties**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities of whatsoever nature or kind, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of its counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agent, to which the Agent and/or its Indemnified Parties may become subject or otherwise involved in any capacity under any statute or common law or otherwise, insofar as

such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agent and its Indemnified Parties hereunder or otherwise in connection with the matters referred to in the Agreement to which this is attached, provided, however, that this indemnity shall not apply in respect of the Agent or its respective 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 its Indemnified Parties have 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 them harmless as applicable, then the Indemnitor 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 Indemnitor on the one hand and the Agent on the other hand but also the relative fault of the Indemnitor and the Agent, as well as any relevant equitable considerations; provided that the Indemnitor 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.

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor 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 Indemnitor 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 Indemnitor 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 their respective Indemnified Parties in connection therewith shall be paid by the Indemnitor as they occur.

Promptly after receipt of notice of the commencement of any legal proceeding against the Agent or its Indemnified Parties 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 Indemnitor, the Agent will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. The omission to notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor 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 Indemnitor would otherwise have under this indemnity had the Agent not so delayed in giving or failed to give the notice required hereunder.

The Indemnitor 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 Indemnitor notifying the Agent in writing of its election to assume the defence and retaining counsel, the Indemnitor 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 Indemnitor, the Indemnitor 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.

Notwithstanding the foregoing paragraph, the Agent shall have the right, at the Indemnitor'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 Indemnitor; or (ii) the Indemnitor 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 Indemnitor 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 which are different from or in addition to those available to the Indemnitor (in which event and to that extent, the Indemnitor 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 Indemnitor and 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 Indemnitor shall not have the right to assume or direct the defence on the Agent's behalf).

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 Indemnitor shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor 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 Indemnitor, the Agent and any of the Indemnified Parties of the Agent. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

The Indemnitor hereby constitutes the Agent as agent and trustee for each of the other Indemnified Parties of the Indemnitor'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.

With respect to any party who may be indemnified by the above indemnity and is not a party to this Agreement, the Agent shall obtain and hold the rights and benefits of this indemnity in trust for and on behalf of such indemnified party.

**15. Contribution.** In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 14 would otherwise be available in accordance with its terms but is, for any reason, unavailable to or unenforceable by the Agent or enforceable otherwise than in accordance with its terms or insufficient to hold the Agent or its subsidiaries or affiliates or the Indemnified Parties harmless, the Company shall contribute to all claims suffered or incurred by the Agent or its subsidiaries or affiliates or the Indemnified Parties in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Agent or its subsidiaries or affiliates or the Indemnified Parties on the other hand from the Distribution of the Units but also the relative fault of the Company or the Agent or its subsidiaries or affiliates or the Indemnified Parties as well as any relevant equitable considerations. The Company shall in any event be liable to contribute to the amount paid or



payable as a result of a claim under Section 14, any amounts in excess of the Cash Commission or any portion of such Cash Commission actually received by the Agent. The Agent shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the Cash Commission or any portion of such Cash Commission actually received. However, no Person who has engaged in any of the events described in Section 14(a) and 14(b) above shall be entitled to claim contribution from any Person who has not engaged in such events.

The rights to contribution provided in this Section 15 shall be in addition to and not in derogation of any other right to contribution which the Agent may have by statute or otherwise at law.

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

- (a) the portion of the full amount of the loss or liability giving rise to such contribution for which the Agent is responsible, having regard to this Section 15, and
- (b) the amount of the aggregate Cash Commission actually received by the Agent from the Company under this Agreement.

For greater certainty, in the event of unenforceability or unavailability of the indemnity provided for in Section 14, the Company shall not have any obligation to contribute pursuant to this Section 15.

**16. Expenses.** The Company shall pay all reasonable expenses and fees in connection with the Offering, including, without limitation: (i) all reasonable expenses of or incidental to the creation, issue, sale or distribution of the Units and the filing and delivery of the Prospectus; (ii) the fees and expenses of the Company's legal counsel; (iii) all costs incurred in connection with the preparation of documentation relating to the Offering; (iv) the reasonable fees and expenses of the Agent's legal counsel, subject to a maximum of \$75,000 (inclusive of applicable taxes and disbursements); and (v) all reasonable "out-of-pocket expenses" of the Agent. All fees and expenses incurred by the Agent or on its behalf shall be payable by the Company immediately upon receiving an invoice therefor from the Agent and shall be payable whether or not the Offering is completed. At the option of the Agent, such fees and expenses may be deducted from the gross proceeds otherwise payable to the Company at the applicable Closing Time.

**17. Advertisements.** The Company acknowledges that the Agent shall have the right, subject to compliance with Applicable Securities Laws and this Agreement, at their own expense, and subject to the prior consent of the Company, such consent not to be unreasonably withheld, to place such advertisement or advertisements relating to the sale of the Units contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by Applicable Securities Laws. The Company and the Agent each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the Offering so as to result in any contravention of Applicable Securities Laws.

**18. Agent's Authority.** The Company shall be entitled to and shall act on any notice, request, direction and other communication given or agreement entered into by or on behalf of the Agent and have authority to bind the Agent hereunder, except for any matters pursuant to Sections 10, 11, 12, 14 or 15.

**19. Stabilization.** In connection with the distribution of the Units, the Agent may over allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case only as permitted by Applicable Securities Laws. Such stabilizing transactions, if any, may be discontinued at any time.

**20. Alternative Transaction.**

- (a) If the Company does not proceed with the Offering, and if, during the period commencing on June 7, 2021 to the date that is six (6) months following termination or expiration of the Engagement Letter (the “**Alternative Transaction Period**”) a prospectus, filing statement, information circular or similar document 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 (as defined herein) (other than with respect to the Offering or any transaction in respect of which the Agent is providing Additional Services), then, where the Company and/or any of its affiliates completes such Alternative Transaction which results in a private placement or a public offering, or any transaction contemplated under the Engagement Letter, the Company 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 100% of the Cash Commission payable pursuant to this Agreement based on an offering size equal to the minimum size of the Offering (the “**Alternative Transaction Fee**”). The Alternative Transaction Fee shall be payable only with respect to the first Alternative Transaction during the Alternative Transaction Period that is completed, and, upon such payment being made, this section 20 shall be of no further force or effect. Notwithstanding the provisions of this section 20, no Alternative Transaction Fee will be payable in the event that this Agreement is terminated on the basis that the Agent has determined that the Offering will not be successful at raising minimum gross proceeds of \$8,000,000.
- (b) The Company acknowledges that the agreements contained in this Section 20 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 20 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 Company irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

## **21. Right of First Refusal.**

If within a period of 12 months from the Closing Date (the “**Right of First Refusal Period**”) and only if the Offering has been completed, the Company 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**”), the Agent 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 Company and the Agent 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 the Agent within five business days following written notification (a “**Right of First Refusal Notice**”) from the Company that the Company requires or proposes to undertake a Financing, failing which the Agent 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 Company during the Right of First Refusal Period. If, prior to, or any time after, providing the Agent with a Right of First Refusal Notice, the Company 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 the Agent by the Company in writing, and the Agent shall be entitled to exercise its Right of First Refusal by notifying the

Company, within five business days following written notification from the Company, of its intention to match the terms proposed by such third party. The Company confirms that there are no other rights of first refusal to provide debt or equity financing services to the Company currently outstanding.

**22. Notices.** Unless otherwise expressly provided in this Agreement, any notice or other communication required or permitted to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Company, to:

VSBLTY Groupe Technologies Corp.  
Suite 300, 417 North 8th Street  
Philadelphia, PA 19123 USA

Attention: Jay Hutton, President & Chief Executive Officer  
Email: jhutton@vsbly.net

with a copy (for information purposes only and not constituting notice) 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

If to the Agent, to:

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

Attention: Beth Shaw, Head of Equity Capital Markets  
Email: bshaw@echelonpartners.com

With a copy (for information purposes only and not constituting notice) to:

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

Attention: Kwang Lim  
Email: limk@bennettjones.com

and if so given, shall be deemed to have been given and received upon receipt by the addressee or a responsible officer of the addressee if delivered, or one hour after being emailed and receipt confirmed during normal business hours, as the case may be. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address or email address.

- 23. Time of the Essence.** Time shall, in all respects, be of the essence hereof.
- 24. Canadian Dollars.** All references herein to dollar amounts are to lawful money of Canada.
- 25. Headings.** The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.
- 26. Entire Agreement.** This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including the Engagement Letter. This Agreement may be amended or modified in any respect by written instrument only.
- 27. Severability.** If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
- 28. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein (excluding any conflict of law, rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction) and the parties hereby irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or relating hereto.
- 29. Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company and the Agent and their respective successors and permitted assigns.
- 30. Further Assurances.** Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.
- 31. Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.
- 32. Counterparts and Facsimile or Electronic Copies.** This Agreement may be executed in any number of counterparts and by facsimile or other electronic format, which taken together shall form one and the same agreement and acceptance by the Company and the Agent of that delivery shall be legally effective to create a valid and binding agreement between the Company and the Agent in accordance with the terms of this Agreement.
- 33. Conflict.** The Company acknowledges that the Agent and its affiliates carry on a range of businesses, including providing stockbroking, investment advisory, research, investment management and custodial services to clients and trading in financial products as agent or principal. It is possible that the Agent and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Company agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Company's interests under this Agreement.
- 34. Fiduciary.** The Company hereby acknowledges that the Agent is acting solely as agent in connection with the offer and sale of the Units. The Company further acknowledges that the Agent is

acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agent act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other Person in connection with any activity that the Agent may undertake or have undertaken in furtherance of such offer and sale of the Company's securities, either before or after the date hereof. The Agent hereby expressly disclaims any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Agent agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agent to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company and the Agent agree that the Agent is acting as principal and not the agent or fiduciary of the Company and the Agent has not assumed, and the Agent will not assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Agent has advised or is currently advising the Company on other matters). The Company acknowledges and agrees that it waives, to the fullest extent permitted by law, any claims the Company and its affiliates may have against the Agent for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Agent shall have no liability (whether direct or indirect) to the Company or any of its affiliates in respect of such a fiduciary duty claim or to any Person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, employees or creditors of the Company. Information which is held elsewhere within the Agent, but of which none of the individuals in the investment banking department or division of the Agent involved in providing the services contemplated by this Agreement actually has knowledge (or without breach of internal procedures can properly obtain) will not for any purpose be taken into account in determining any of the responsibilities of the Agent to the Company under this Agreement.

**35. Language.** The parties hereto confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente convention ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

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

Yours very truly,

**ECHELON WEALTH PARTNERS INC.**

Per: "Christine Young"  
Name: Christine Young  
Title: Managing Director, Head of Origination

The foregoing is hereby accepted on the terms and conditions therein set forth as of the 24th day of June, 2021.

**VSBLTY GROUPE TECHNOLOGIES CORP.**

Per: "Jay Hutton"  
Name: Jay Hutton  
Title: President and Chief Executive Officer

## SCHEDULE "A"

### FORM OF LOCK-UP AGREEMENT

*This is Schedule "A" to the Agency Agreement dated as of June 24, 2021 between VSBLTY Groupe Technologies Corp. and Echelon Wealth Partners Inc.*

### LOCK-UP AGREEMENT

June \_\_\_\_\_, 2021

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

- and -

VSBLTY Groupe Technologies Corp.  
Suite 300, 417 North 8th Street  
Philadelphia, PA 19123 USA

Ladies and Gentlemen:

The undersigned director and/or officer of VSBLTY Groupe Technologies Corp. (the "**Company**") understands that an agency agreement ("**Agency Agreement**") has been executed and delivered by the Company and Echelon Wealth Partners Inc. (the "**Agent**"), whereby the Company agreed to offer units of the Company for sale on a commercially reasonable "best efforts" agency basis (the "**Offering**"). The execution and delivery by the undersigned of this agreement ("**Lock-Up Letter Agreement**") is a condition to the closing of the Offering.

In consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees not (and shall cause its affiliates not) to, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, hypothecate, pledge, transfer, assign, otherwise dispose of or deal with, or publicly announce any intention to do any of the foregoing, whether through the facilities of a stock exchange, by private placement or otherwise, any securities of the Company owned, directly or indirectly, by the undersigned or under the control or direction of the undersigned or with respect to which the undersigned has beneficial ownership (the "**Locked-Up Securities**"), or enter into any other transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of the Locked-Up Securities, without, in each case, the prior written consent of the Agent, which will not be unreasonably withheld or delayed, for a period of 90 days from the date of the closing of the Offering (the "**Lock-Up Period**").

Notwithstanding anything to the contrary contained in this Lock-Up Letter Agreement, during the Lock-Up Period, the undersigned may, without the consent of the Agent: (i) transfer, sell or tender any or all of the Locked-Up Securities pursuant to a take-over bid (as defined in the *Securities Act* (Ontario)) or any other similar transaction made generally to all of the shareholders of the Company, including, without limitation, a merger, arrangement or amalgamation, involving a change of control of the Company (provided that all Locked-Up Securities not transferred, sold or tendered remain subject to this undertaking) and provided further that it shall be a condition of transfer that if such take-over bid or such

other transaction is not completed, any Locked-Up Securities subject to this undertaking shall remain subject to the restrictions in this Lock-Up Letter Agreement; (ii) transfer any or all of the Locked-Up Securities to any nominee or custodian where there is no change in beneficial ownership; (iii) transfer any or all of the Locked-Up Securities under existing director or officer stock options, bonus or purchase plans or similar share compensation arrangements of the Company; or (iv) transfer any or all of the Locked-Up Securities under any director or officer stock options or bonuses granted subsequently in accordance with applicable Canadian Securities Laws and in a manner consistent with the Company's past practices.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-up Letter Agreement and that, upon the reasonable request of the Agent, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement of this Lock-Up Letter Agreement. This Lock-Up Letter Agreement is irrevocable and shall be binding upon the heirs, legal representatives, successors and assigns of the undersigned.

This Lock-Up Letter Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario, without reference to conflicts of laws.

This Lock-Up Letter Agreement constitutes the entire agreement and understanding between and among the parties with respect to the subject matter of this Lock-Up Letter Agreement and supersedes any prior agreement, representation or understanding with respect to such subject matter.

This Lock-up Letter Agreement has been entered into on the date first written above.

Yours very truly,

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