

SILO WELLNESS INC.

**PURCHASE OF SENIOR UNSECURED CONVERTIBLE DEBENTURES
AND WARRANTS**

BY

GLOBAL TECH OPPORTUNITIES 14

SUBSCRIPTION AGREEMENT

April 13, 2022

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT is made as of April 13, 2022.

BETWEEN:

SILO WELLNESS INC., a corporation existing under the laws of the Province of Ontario, whose registered office is at 200 Consumers Road, Suite 702 Toronto, Ontario M2J 4R4

(hereinafter referred to as the “**Corporation**”)

– and –

GLOBAL TECH OPPORTUNITIES 14, a company incorporated in the Cayman Islands, whose registered office [Redacted – Confidential Information]

(hereinafter referred to as the “**Investor**”).

WHEREAS:

- (A) The Investor is an investment entity specialized in providing flexible equity-linked financings.
- (B) The Corporation is a reporting issuer under applicable securities laws in Ontario, and its Common Shares (as defined below) are listed for trading on the CSE (as defined below).
- (C) Upon the terms and subject to the conditions contained in this Subscription Agreement, the Investor shall commit to fund the Corporation up to \$5,950,000 (the “**Total Commitment**”) by subscribing for \$7,300,000 aggregate principal amount of Debentures (as defined below), inclusive of the Commitment Fee, in twenty (20) tranches, each in the aggregate principal amount of \$350,000 (each, a “**Tranche**”). Accordingly, the Debentures shall be subscribed for at a subscription price of eighty-five percent (85%) of the par value of the Debentures. Warrants (as defined below) shall be attached to the first Tranche in accordance with the terms of this Subscription Agreement.
- (D) The Corporation wishes to issue and sell, and the Investor wishes to subscribe for, the Debentures and Warrants pursuant to the terms and conditions of this Subscription Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Subscription Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. Definitions; Interpretation

- 1.1 In this Subscription Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Affiliate**” means a person or entity that directly or indirectly controls, is controlled by, or is under common control with, another person or entity;

“**Business Day**” means a day during which banks in Toronto, New York, London, Geneva and Luxembourg are normally open for business, other than a Saturday, Sunday or statutory or civic holiday in the Province of Ontario;

“**CAD**” or “**\$**” means Canadian Dollars;

“Change of Control” means (i) any event as a result of or following which any person, or group of persons, beneficially owns or exercises control or direction over an aggregate of more than 50% of the then outstanding Common Shares; or (ii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation. A Change of Control will not include a sale, merger, arrangement, amalgamation, reorganization or other similar transaction if the previous holders of the Common Shares hold at least 50% of the voting shares of such merged, reorganized or other continuing entity;

“Closing” means the First Closing, the Second Closing, the Third Closing, the Fourth Closing, the Fifth Closing, the Sixth Closing, the Seventh Closing, the Eighth Closing, the Ninth Closing, the Tenth Closing, the Eleventh Closing, the Twelfth Closing, the Thirteenth Closing, the Fourteenth Closing, the Fifteenth Closing, the Sixteenth Closing, the Seventeenth Closing, the Eighteenth Closing, the Nineteenth Closing and the Twentieth Closing, as the case may be;

“Closing Conditions” means the First Closing Conditions or the Other Closing Conditions, as the case may be;

“Closing Date” means for each Closing, the applicable Issuance Date noted in Section 2.1;

“Closing Expense Cap” has the meaning attributed to such term in Section 1;

“Commitment Fee” means an aggregate fee equal to \$300,000 payable as follows: (i) \$150,000 shall be added to the principal amount of the Debenture issued in connection with the First Closing; and (ii) either (x) \$150,000 shall be added to the principal amount of the Debentures issued in connection with the Second Closing; or (y) if the Second Closing has not occurred at the latest on the Commitment Fee Deadline, by the issuance of Debentures for a principal amount of \$150,000 to the benefit of the Investor on such Commitment Fee Deadline;

“Commitment Fee Deadline” has the meaning attributed to such term in Section 2.7;

“Commitment Period” means the period of twenty-four (24) months beginning on the signing date of this Subscription Agreement;

“Common Share(s)” means the common share(s) in the capital of the Corporation;

“control” shall mean (i) the ownership, directly or indirectly, of at least fifty per cent (50%) of the outstanding voting securities or other ownership interest of an entity, or (ii) the possession, directly or indirectly, of the power to manage, direct or cause the direction of the management and policies of the corporation or other entity;

“Conversion Notice” means a conversion notice setting out the aggregate Outstanding Principal of the Debentures being converted and the applicable Conversion Price in the form attached as Exhibit 2;

“Conversion Price” means the lower of (i) the closing price of the Common Shares on the CSE at the time of delivery of the relevant Conversion Notice to the Corporation (or, in the event of the automatic conversion of the Outstanding Principal upon the maturity of this Convertible Debenture, the Maturity Date); and (ii) \$0.05 (five cents), having regard for any adjustments made in accordance with the terms of the Debentures and provided that under no circumstances shall the Conversion Price be less than the minimum price permitted under applicable law or the rules of any exchange on which the Common Shares of the Corporation are listed for trading;

“Corporation Bank Account” means the bank account of the Corporation with the following details (or such other bank account of the Corporation as the Corporation may notify to the Investor no later than on the fifth (5th) Business Day prior to a relevant cash payment to the Corporation):

[Redacted – Confidential Information]

“**CSE**” means the Canadian Securities Exchange;

“**Debentures**” means up to \$7,300,000 principal amount senior unsecured convertible debentures, inclusive of the Commitment Fee, with a maturity date of thirty-six (36) months from the applicable Closing Date (unless accelerated in accordance with their terms), to be issued in twenty (20) Tranches by the Corporation to the Investor pursuant to the terms of this Subscription Agreement in the form of debenture certificate attached hereto as Exhibit 1;

“**Eighteenth Closing**” means the purchase of Debentures by the Investor on the Eighteenth Closing Date as set out in Section 2.1;

“**Eighteenth Closing Date**” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“**Eighth Closing**” means the purchase of Debentures by the Investor on the Eighth Closing Date as set out in Section 2.1;

“**Eighth Closing Date**” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“**Eleventh Closing**” means the purchase of Debentures by the Investor on the Eleventh Closing Date as set out in Section 2.1;

“**Eleventh Closing Date**” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“**Event of Default**” means any of the following occurrences:

(i) a material breach, delay or failure by the Corporation in the due performance of any of its obligations under this Subscription Agreement which, if curable, is not cured within ten (10) Business Days of the Corporation’s receipt of written notice from the Investor of such breach, delay or failure;

(ii) failure by the Corporation to deliver to the Investor the DRS Statement with respect to the relevant Common Shares to be issued to the Investor in accordance with the terms of this Subscription Agreement, the Debentures or the Warrants (for the avoidance of doubt, within two (2) Trading Days following a Conversion Notice or Warrant Exercise Notice, as applicable);

(iii) the de-listing of the Common Shares from the CSE, or the suspension from trading of the Common Shares from the CSE for a period of five (5) Trading Days or more;

(iv) any refusal to certify the financial statements by the auditors of the Corporation;

(v) a Material Adverse Effect has occurred;

(vi) failure by the Corporation to pay any Indebtedness in excess of \$500,000 when due or within any applicable grace period, other than any such failure resulting from a good faith error which is corrected as soon as reasonably practicable, or failure by the Corporation to observe or perform any term, covenant or agreement contained in any agreement or instrument by which it is bound evidencing or securing any such indebtedness for a period of time which would cause or permit the acceleration of the maturity thereof, except if such indebtedness or such acceleration is contested in good faith by the Corporation;

(vii) if a decree or order of a court having jurisdiction is entered adjudging the Corporation or any Subsidiary a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of the Corporation or any Subsidiary, or appointing a receiver of, or any substantial part of, the property of the Corporation or any Subsidiary, or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of sixty (60) days;

(viii) if the Corporation or any Subsidiary institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or any substantial part of, the property of the Corporation or any Subsidiary or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due;

(ix) if a resolution is passed for the winding-up or liquidation of the Corporation or any Subsidiary, except for the winding-up or liquidation of a non-material Subsidiary in the normal course of the Corporation's business as an investment issuer;

(x) if any proceedings with respect to the Corporation or any material Subsidiary are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation or any material Subsidiary generally, under the applicable legislation of any jurisdiction;

(xi) failure by the Corporation or any Subsidiary to pay final and non-appealable judgments aggregating in excess of \$150,000 (net of any amounts that are covered by insurance issued by a reputable and creditworthy insurance company (as determined in good faith by the Corporation) that has not contested coverage), which judgments remain unsatisfied or undischarged for any period of sixty (60) consecutive days during which a stay of enforcements of such judgments shall not be in effect; and

(xii) failure by the Corporation to hold all such approvals as are required by the Corporation under the policies of the CSE for the issuance of the Common Shares upon conversion of the Debentures or exercise of the Warrants;

"Fifth Closing" means the purchase of Debentures by the Investor on the Fifth Closing Date as set out in Section 2.1;

"Fifth Closing Date" means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

"Fifteenth Closing" means the purchase of Debentures by the Investor on the Fifteenth Closing Date as set out in Section 2.1;

"Fifteenth Closing Date" means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

"First Closing" means the purchase of Debentures and the Warrants by the Investor on the First Closing Date as set out in Section 2.1;

"First Closing Conditions" has the meaning attributed to such term in Section 3.1;

"First Closing Date" means the date which falls five (5) Business Days after the date of signature of this Subscription Agreement or any other date agreed in writing between each of the Corporation and the Investor;

“Fourteenth Closing” means the purchase of Debentures by the Investor on the Fourteenth Closing Date as set out in Section 2.1;

“Fourteenth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Fourth Closing” means the purchase of Debentures by the Investor on the Fourth Closing Date as set out in Section 2.1;

“Fourth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“holder(s)” means the person(s) for the time being entered in the register for the Debentures or Warrants as registered holders of the Debentures or Warrants (as the case may be), or any permitted transferees of such persons by endorsement or delivery;

“IFRS” means International Financial Reporting Standards;

“Indebtedness” means, with respect to any person, without duplication, the aggregate of the following amounts, at the date of determination:

(i) all indebtedness of such person for borrowed money;

(ii) all obligations of such person for the deferred purchase price of property, assets or services where such purchase price is deferred for six (6) months or longer and represented by a note or other evidence of indebtedness;

(iii) all obligations of such person evidenced by notes, bonds, debentures or other similar instruments;

(iv) all obligations of such person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property);

(v) all obligations of such person as lessee under leases that have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases;

(vi) all reimbursement obligations, contingent or otherwise, of such person under acceptance, letter of credit and similar facilities;

(vii) all net obligations of such person to purchase, redeem, retire, defease or otherwise acquire for value any equity interests of such person, provided that all conditions to such purchase, retirement, defeasance or acquisition have been satisfied;

(viii) the market value of all hedge arrangements in respect of which the market value is negative from such person's perspective (that is, the person is “out of the money”) less, in the case of any such hedge arrangements with a lender that permit “netting”, the market value of all hedge arrangements with such lender in respect of which the market value is positive (up to a maximum of the market value of the hedge arrangements having a negative market value);

(ix) all contingent obligations of such person;

(x) all Indebtedness of another person referred to in subsections (i) through (ix) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured

by) any Lien on property (including accounts and contract rights) owned by such person, even though such person has not assumed or become liable for the payment of such Indebtedness;

(xi) the amount of all trade payables and other accrued liabilities to the extent the same are past the due date thereof by more than 180 days (except to the extent that such payables and liabilities are being properly contested in good faith by such person with the person to whom same are owing);

(xii) the net present value of all remaining payment obligations under leases that have been or should be, in accordance with generally accepted accounting principles, recorded as operating leases; and

(xiii) any other obligations which would be treated as debt under IFRS other than capital leases;

“Investment” means the purchase by the Investor of the Debentures and the Warrants under this Subscription Agreement as set out in Section 2.1;

“Investor Call” has the meaning attributed to such term in Section 2.2.3;

“Investor Call Notice” has the meaning attributed to such term in Section 2.2.3, in the form attached hereto as **Exhibit 4**;

“Issuance Date” has the meaning attributed to such term in Section 2.1;

“Late Issuance” has the meaning attributed to such term in Section 2.2.4;

“Lent Shares” means the freely tradable Common Shares to be received by the Investor pursuant to the terms of the Share Lending Agreement;

“Lien” means in respect of any person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such person or arising by operation of law, in respect of any such person’s property and assets, or any consignment or capital lease of property by such person as consignee or lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligations;

“Make-Whole Amount” means, if the Conversion Price of a Tranche of the Debentures is greater than the Theoretical Conversion Price, the amount by which the aggregate Conversion Price of such Debentures exceeds the Theoretical Conversion Price, calculated as follows: $(A \text{ divided by } B) \text{ minus } (A \text{ divided by } C) \text{ multiplied by } D$, where:

A = the total principal amount of Debentures to be issued in connection with a Tranche

B = the Theoretical Conversion Price

C = the Conversion Price

D = 110% of the closing price of the Common Shares on the CSE (or such other stock exchange on which the Common Shares are principally traded) on the Trading Day immediately preceding the date on which a Conversion Notice is delivered to the Corporation;

“Material Adverse Effect” means the occurrence of any one or more events, circumstances, conditions or changes which (i) material adversely affects, or would reasonably be concluded to have a material adverse effect on the Corporation and its Subsidiaries’ businesses, assets, operations, property, financial results, liabilities or financial condition, taken as a whole; (ii) prohibits the Corporation from performing any of its obligations under this Subscription Agreement in any material respect; (iii) a material breach by either the Corporation or and One Light Enterprises LLC of the Purchase Order which, if curable, is not cured within ten (10) Business Days of either of the parties to

the Purchase Order receipt of written notice from the other party to the Purchase Order of such breach, delay or failure; or (iv) individually or in the aggregate (taking into account all other such changes or effects), has had, or could reasonably be expected to have, the effect of:

(i) reducing the net profit of the Corporation and its Subsidiaries on a consolidated basis in the following 12 months by more than [Redacted – Commercially Sensitive Information], when compared to the preceding 12 months; or;

(ii) reducing the revenue of the Corporation and its Subsidiaries on a consolidated basis in the following 12 months by more than [Redacted – Commercially Sensitive Information], when compared to the preceding 12 months; or

(iii) reducing the net asset value of the Corporation and its Subsidiaries on a consolidated basis in the following 12 months by more than [Redacted – Commercially Sensitive Information], when compared to the preceding 12 months; or

(iv) reducing the price of the Common Shares by more than [Redacted – Commercially Sensitive Information] compared to the closing price on the Trading Day following the last Closing Date;

“Maturity Date” means thirty-six (36) months after the applicable Closing Date upon which the Debentures are issued, unless accelerated in accordance with their terms;

“Nineteenth Closing” means the purchase of Debentures by the Investor on the Nineteenth Closing Date as set out in Section 2.1;

“Nineteenth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Ninth Closing” means the purchase of Debentures by the Investor on the Ninth Closing Date as set out in Section 2.1;

“Ninth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Other Closing Conditions” has the meaning attributed to such term in Section 3.2;

“Outliers” means the percentage of data points from the top and bottom tails that shall be excluded from the relevant data set.

“Outstanding Principal” means (i) the aggregate principal amount of the Debentures issued to the Investor in accordance with this Subscription Agreement, less (ii) the aggregate principal amount of the Debentures already converted into Common Shares or already reimbursed or redeemed for cash;

“Permitted Debt” means:

(i) Indebtedness under the Debentures;

(ii) reimbursement obligations, contingent or otherwise, under or in connection with credit card facilities, letters of credit or letters of guarantee in the ordinary course of business in an amount not exceeding \$100,000 and customary indemnity obligations thereof;

(iii) Indebtedness of the Corporation pursuant to Purchase Money Security Interests and capital leases, provided that such Indebtedness does not exceed \$100,000 in aggregate at any one time;

(iv) intercompany Indebtedness owing by the Corporation to any Subsidiary, provided that such Subsidiary has executed a subordination and postponement agreement to the satisfaction of the Investor, acting reasonably;

(v) Indebtedness that ranks junior or *pari passu* to the Debentures in an amount not to exceed \$150,000, provided that such Indebtedness shall not cause a breach of Section 6.1.7; and

(vi) the net present value of remaining payment obligations under leases, including all contingent obligations in connection with the same, that have been or should be, in accordance with generally accepted accounting principles, recorded as operating leases;

“Permitted Liens” means with respect to any person the following:

(i) Liens for taxes not yet due or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that person for which reasonable reserves under IFRS are maintained;

(ii) undetermined or inchoate Liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised, or which relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that person;

(iii) the Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that person and does not result in an Event of Default;

(iv) to the extent permitted by clause (iii) of the definition of “Permitted Debt”, capital leases and the Liens with respect to Purchase Money Security Interests;

(v) Liens with respect to operating leases which are true leases and by virtue of applicable laws are deemed to be a Lien; and

(vi) Liens or any rights of distress that are either (A) requirements of law or (B) reserved in or exercisable under any lease or sublease to which it is a lessee which secure the payment of rent or compliance with the terms of such lease or sublease, provided that such Liens do not extend to assets other than those at the relevant leased location;

“Pricing Period” means a period of fifteen (15) Trading Days immediately preceding the date of the relevant Conversion Notice (or, where no Conversion Notice is given, the relevant Maturity Date of the Debentures, as may be accelerated in accordance with the terms of the Debentures); provided that, for the purposes of the Pricing Period, “Trading Day” shall not include any day: (i) on which the Common Shares are scheduled to trade on such market(s) for less than 5.5 hours (for the avoidance of doubt, any day during which there would be no effective trading would still be considered as a “Trading Day” if the lack of trading is not due to a suspension requested by the Corporation or the stock exchange); or (ii) on which the Common Shares are suspended from trading for any reason during the final hour of trading on such market(s), unless such day is otherwise designated as a “Trading Day” in writing by the Investor;

“Public Record” has the meaning attributed to such term in Section 5.8;

“Purchase Money Security Interest” means a Lien created or assumed by the Corporation or any Subsidiary, as applicable, securing Indebtedness incurred to finance the unpaid acquisition price of property or assets (including any installation costs or costs of construction of such property or assets, if applicable) provided that:

- (i) such Lien is created substantially concurrently with the acquisition of such property or assets,
- (ii) such Lien does not at any time encumber any property or assets other than the property or assets financed by such Indebtedness or the proceeds thereof,
- (iii) the amount of Indebtedness secured thereby is not increased subsequent to such acquisition, and
- (iv) the principal amount of the Indebtedness secured by any such Lien at no time exceeds 100% of the original purchase price of such property or assets at the same time it was acquired;

for the purposes of this definition the term “acquisition” shall include a capital lease and the term “acquire” shall have a corresponding meaning;

“Purchase Order” means the purchase order pursuant to the agreement entered into by and between the Corporation and One Light Enterprises LLC dated August 12, 2021;

“Qualifying Prospectus” means a final prospectus of the Corporation filed to qualify for distribution in any required jurisdictions, the Common Shares issued or issuable upon the conversion of the Debentures and the exercise of the Warrants;

“Second Closing” means the purchase of Debentures by the Investor on the Second Closing Date as set out in Section 2.1;

“Second Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Seventeenth Closing” means the purchase of Debentures by the Investor on the Seventeenth Closing Date as set out in Section 2.1;

“Seventeenth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Seventh Closing” means the purchase of Debentures by the Investor on the Seventh Closing Date as set out in Section 2.1;

“Seventh Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Share Consolidation” has the meaning attributed to such term in Section 3.2.4;

“Share Lending Agreement” means the agreement to be entered into between the Investor and one or more existing shareholder(s) of the Corporation, pursuant to which each such existing shareholder(s) shall agree to lend its existing freely tradeable Common Shares to the Investor pursuant to the applicable Debentures;

“Sixteenth Closing” means the purchase of Debentures by the Investor on the Sixteenth Closing Date as set out in Section 2.1;

“Sixteenth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Sixth Closing” means the purchase of Debentures by the Investor on the Sixth Closing Date as set out in Section 2.1;

“Sixth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Subscription Agreement” means this subscription agreement;

“Subscription Amount” has the meaning attributed to such term in Section 2.3;

“Subsidiar(y)(ies)” has the meaning in Section 5.1, and where used in the context of on-going obligations or the like means subsidiaries of the Corporation as constituted from time to time;

“Tenth Closing” means the purchase of Debentures by the Investor on the Tenth Closing Date as set out in Section 2.1;

“Tenth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Theoretical Conversion Price” means the lowest daily VWAP observed over the applicable Pricing Period (rounded down to the nearest 1/100th);

“Third Closing” means the purchase of Debentures by the Investor on the Third Closing Date as set out in Section 2.1;

“Third Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Thirteenth Closing” means the purchase of Debentures by the Investor on the Thirteenth Closing Date as set out in Section 2.1;

“Thirteenth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“Total Commitment” has the meaning attributed to such term in Recital C;

“Trading Day” means any day during which the CSE (or such other recognized stock exchange where the Common Shares are then normally listed and traded) is open for business;

“Transaction Expenses” means all reasonable and documented out-of-pocket legal, structuring and due diligence expenses incurred by the Investor in connection with the negotiating and signing of this Subscription Agreement and with the implementation of the transactions contemplated herein, up to a maximum of [Redacted – Commercially Sensitive Information] plus applicable taxes and disbursements (the **“Closing Expense Cap”**); provided that the Closing Expense Cap does not apply to expenses incurred in connection with (i) any amendment made at the request of the Corporation to this Subscription Agreement or the terms or conditions of Investment, including the terms or conditions of the Debentures and the conversion or exercise thereof, (ii) any dispute regarding the Make-Whole Amount, (iii) the issuance of Common Shares in settlement of the Make-Whole Amount payment as contemplated in Section 6.2.3, or (iv) the filing of a Qualifying Prospectus as contemplated in Section 3.2.9;

“Twelfth Closing” means the purchase of Debentures by the Investor on the Twelfth Closing Date as set out in Section 2.1;

“Twelfth Closing Date” means the date as set out in Section 2.1 or any other date agreed in writing between each of the Corporation and the Investor;

“**Twentieth Closing**” means the purchase of Debentures by the Investor on the Twentieth Closing Date as set out in Section 2.1;

“**VWAP**” means the volume weighted average price of the Common Shares on the CSE, as published by Bloomberg LP;

“**Warrants**” means common share purchase warrants of the Corporation to be issued to the Investor on the First Closing Date, each warrant entitling the Investor to purchase one Common Share at the Warrant Exercise Price for a period of five (5) years from the First Closing Date, in the form of warrant certificate attached hereto as **Exhibit 3**;

“**Warrant Exercise Notice**” has the meaning attributed to such term in the Warrants, in the form attached thereto; and

“**Warrant Exercise Price**” is equal to \$0.05.

2. Subscription for Debentures and Warrants

2.1 Investment and Issuance Dates. Subject to the terms and conditions set forth in this Subscription Agreement, the Investor hereby agrees to purchase from the Corporation, and the Corporation hereby agrees to sell and issue to the Investor on the applicable Closing Date, the Debentures and the Warrants as follows:

Closings	Principal Amount of Debentures	Subscription Amount	Issuance Date/Warrants
First Closing	\$500,000 (of which amount, \$150,000 shall be in satisfaction of the Corporation’s payment obligation with respect to the Commitment Fee in accordance with Section 2.7)	\$297,500 ([Redacted – Commercially Sensitive Information] of which shall be paid by way of set off against the Corporation’s payment obligation with respect to the Transaction Expenses).	[Redacted – Commercially Sensitive Information] following the signature of this Subscription Agreement (the First Closing Date) Warrants to acquire such number of Common Shares as is equal to \$2,975,000 (being 50% of the Total Commitment divided by the Warrant Exercise Price, rounded down to the nearest whole Common Share).
Second Closing	<u>Either</u> (i) \$500,000 (of which amount, \$150,000 shall be in satisfaction of the Corporation’s payment obligation with respect to the Commitment Fee in accordance with Section 2.7) in case the Commitment Fee has not already been paid in accordance with Section 2.7; or <u>Or</u> (ii) \$350,000 in case the Commitment Fee has already been paid in accordance with Section 2.7.	\$297,500	The latter of (i) the date on which the Lent Shares are delivered to the Investor in accordance with the Share Lending Agreement and (ii) the date which falls [Redacted – Commercially Sensitive Information] following the First Closing Date (the Second Closing Date) No Warrants
Third Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Second Closing Date (the Third Closing Date) No Warrants

Closings	Principal Amount of Debentures	Subscription Amount	Issuance Date/Warrants
Fourth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Third Closing Date (the Fourth Closing Date) No Warrants
Fifth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Fourth Closing Date (the Fifth Closing Date) No Warrants
Sixth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Fifth Closing Date (the Sixth Closing Date) No Warrants
Seventh Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Sixth Closing Date (the Seventh Closing Date) No Warrants
Eighth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Seventh Closing Date (the Eighth Closing Date) No Warrants
Ninth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Eighth Closing Date (the Ninth Closing Date) No Warrants
Tenth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Ninth Closing Date (the Tenth Closing Date) No Warrants
Eleventh Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Tenth Closing Date (the Eleventh Closing Date) No Warrants

Closings	Principal Amount of Debentures	Subscription Amount	Issuance Date/Warrants
Twelfth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Eleventh Closing Date (the Twelfth Closing Date) No Warrants
Thirteenth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Twelfth Closing Date (the Thirteenth Closing Date) No Warrants
Fourteenth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Thirteenth Closing Date (the Fourteenth Closing Date) No Warrants
Fifteenth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Fourteenth Closing Date (the Fifteenth Closing Date) No Warrants
Sixteenth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Fifteenth Closing Date (the Sixteenth Closing Date) No Warrants
Seventeenth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Sixteenth Closing Date (the Seventeenth Closing Date) No Warrants
Eighteenth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Seventeenth Closing Date (the Eighteenth Closing Date) No Warrants
Nineteenth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Eighteenth Closing Date (the Nineteenth Closing Date) No Warrants

Closings	Principal Amount of Debentures	Subscription Amount	Issuance Date/Warrants
Twentieth Closing	\$350,000	\$297,500	[Redacted – Commercially Sensitive Information] following the Nineteenth Closing Date (the Twentieth Closing Date) No Warrants

The Corporation and the Investor acknowledge and agree that the date of any Closing Date can be modified upon written agreement between both parties.

Notwithstanding anything to the contrary in this Subscription Agreement, the Investor may at its sole discretion delay the subscription to a given Tranche should the Investor’s holdings of Common Shares, and outstanding Debentures, on an as converted basis, inclusive of the subsequent Tranche to be disbursed, represent greater than twenty percent (20%) of the number of Common Shares outstanding on a undiluted basis. In such case, the Closing of the relevant Tranche shall be postponed to the earliest of: (i) the date chosen by the Investor; and (ii) the date on which the Investor’s holdings of Common Shares, including Common Shares issuable upon the exercise of common share purchase warrants, including the Warrants, and outstanding Debentures, on an as converted basis, inclusive of the subsequent Tranche to be disbursed, falls below the threshold of twenty percent (20%).

2.2 Debentures Features Summary. The following is a summary of certain characteristics of the Debentures only, and is subject to and qualified by the full terms and conditions of the Debentures as set forth in the form of debenture certificate attached hereto as Exhibit 1:

2.2.1 *Ranking and Subordination.* The Debentures, when issued, shall constitute a senior unsecured obligation of the Corporation and shall rank (i) *pari passu* with all other existing and future senior unsecured indebtedness of the Corporation; and (ii) senior to all existing and future subordinated indebtedness of the Corporation.

2.2.2 *Conversion Feature.* The Debentures shall be automatically converted into such number of Common Shares as is equal to the aggregate Outstanding Principal of the Debentures being converted divided by the applicable Conversion Price (rounded down to the nearest whole Common Share), without any further action on behalf of the holder within five (5) Business Days after delivery by the holder of a Conversion Notice. In addition, upon the Maturity Date of the Debentures, subject to Provision 2.2.4 below, the Debentures shall be automatically converted into such number of Common Shares as is equal to the aggregate Outstanding Principal of the Debentures being converted divided by the applicable Conversion Price (rounded down to the nearest whole Common Share), without any further action on behalf of the holder.

2.2.3 *Investor Call.* The Investor may, at its option, instruct the Corporation (the “**Investor Call Notice**”) to drawdown up to a maximum of five (5) Tranches (each, an “**Investor Call**”), in which case, the Corporation would be obliged to issue the Debentures subject to the Investor Call within one (1) business day of receiving the Investor Call Notice. For the avoidance of doubt, the Investor may at its sole discretion decide to exercise its Investor Calls together at the same time or separately. In addition, if, from time to time, there is any Make-Whole Amount owing to the Investor, the Investor shall be entitled to provide such number of additional Investor Call Notices to require the Corporation to drawdown such number of additional Tranches as are required to effect the repayment of the Make-Whole Amount.

2.2.4 *Rights Upon Event of Default.* Upon the occurrence of an Event of Default, the Maturity Date of the Debentures shall be accelerated and the holder shall have the right to immediately

convert all or any of its Debentures into Common Shares or to require the Corporation to immediately redeem in cash all or any of its Debentures.

2.2.5 *Late Issuance.* Upon conversion of the Debentures and the exercise of the Warrants, if the Investor does not receive a copy of the Direct Registration Statement (“**DRS**”) advice reflecting the issuance of the relevant Common Shares to be issued with respect to the conversion of such Debentures and/or exercise of such Warrants within two (2) Business Days following the delivery of a Conversion Notice or Warrant Exercise Notice (as applicable, a **Late Issuance**), the Corporation shall pay to the Investor the greater of (i) one thousand dollars (\$1,000) per Business Day of delay in the delivery of the DRS advice with respect to the relevant Common Shares; and (ii) an amount equal to the difference (if positive) between the closing price of the Common Shares two (2) Business Days after the date of delivery of the Conversion Notice or the relevant Warrant Exercise Notice, as applicable, and the closing price of the Common Shares on the Business Day immediately prior to the date on which the DRS advice with respect to the relevant Common Shares is received by the Investor, for each new Common Share which was issued upon the relevant conversion of the Debentures and exercise of the Warrants. Notwithstanding the foregoing, if, prior to the delivery of the DRS advice with respect to the relevant Common Shares to the Investor, an Event of Default occurs of the type described in clause (ii) of the definition thereof and the Investor elects to require the Corporation to immediately redeem in cash all or any of its Debentures subject to the conversion in respect of such Late Issuance in accordance with Section 2.2(d), then the Corporation shall pay to the Investor the amount calculated in accordance with this Section 2.2(e), up to and including the date the Investor’s notice to the Corporation of its redemption election is to be delivered pursuant to Section 2.2(d) concurrently with the redemption payment for the Debentures so redeemed. The Corporation shall pay any payments incurred under this section in immediately available funds upon demand.

2.3 Subscription Amount

2.3.1 The subscription price to be paid by the Investor to the Corporation at each Closing for each Tranche of Debentures and, for the First Closing only, the applicable Warrants (the “**Subscription Amount**”) shall be equal to \$297,500.

2.3.2 The Subscription Amount shall be paid in cash at the relevant Closing by way of wire transfer of immediately available funds to the Corporation Account, other than with respect to the first Tranche of Debentures and the Warrants, for which the Subscription Amount shall be paid as follows:

(a) \$247,500 in cash at the First Closing by way of wire transfer of immediately available funds to the Corporation Account;

(b) [Redacted – Commercially Sensitive Information] by way of set off against the Corporation’s payment obligation with respect to the Transaction Expenses in the amount of \$50,000.

2.4 Transaction Expenses Reimbursement. The Corporation shall reimburse the Investor for its Transaction Expenses (up to the Closing Expense Cap as set forth in the definition of Transaction Expenses). The Investor shall be entitled to deduct such amount from the payment of the Subscription Amount owed in connection with the First Closing in accordance with Section 2.3.2 above.

2.5 Use of Proceeds. The Corporation shall use the proceeds resulting from the issue of the Debentures for financing the obligations of the Corporation with respect to the Purchase Order (in order to ensure that the Corporation can meet its obligations under the Purchase Order) in accordance with the terms of this Subscription Agreement as well as for operational expenses of the company.

- 2.6 Closing Place. The completion of the purchase and sale of the Debentures subscribed for hereunder at each Closing and the Warrants at the First Closing shall be completed at the offices of the Corporation's legal counsel, CP LLP (77 King Street West, TD North Tower, Suite 700, Toronto, ON) at such time on the applicable Closing Date as may be determined by the Corporation and the Investor.
- 2.7 Interest. Any amount due to the Investor (or any of its Affiliates) pursuant to this Subscription Agreement, the Debentures or the Warrants, that has not been paid when due shall bear interest at 60% per annum from the due date of the payment to the date paid, or such lesser amount as may be the maximum permitted by applicable laws.
- 2.8 Commitment Fee. In consideration for the Investment, the Corporation shall pay to, or to the order of, the Investor the Commitment Fee. The Commitment Fee shall be payable:
- by adding \$150,000 to the principal amount of the Debentures issued in connection with the First Closing; and
 - either (i) by adding \$150,000 to the principal amount of the Debentures issued in connection with the Second Closing or (ii) if the Second Closing has not occurred at the latest within three (3) months after the First Closing (the "**Commitment Fee Deadline**"), by the issuance of Debentures for a principal amount of \$150,000 to the benefit of the Investor on the Commitment Fee Deadline.

3 Conditions of Purchase

- 3.1 First Closing. The obligations of the Investor and the Corporation to complete the purchase and sale of Debentures at the First Closing and the Warrants are conditional upon the satisfaction of, or compliance with, or waiver (to the extent waivable) by the party who benefits from the condition, the following conditions (the **First Closing Conditions**):
- 3.1.1 the Investor duly completes, executes and returns to the Corporation this Subscription Agreement;
 - 3.1.2 the Corporation shall have publicly announced the Purchase Order (and of any other insider information which may have been provided by the Corporation to the Investor);
 - 3.1.3 all necessary regulatory and CSE approvals (if any) required for the entering into of this Subscription Agreement and the completion of the transactions contemplated under this Subscription Agreement shall have been obtained prior to the First Closing;
 - 3.1.4 before or after the First Closing Date, as applicable, the Corporation shall have posted CSE Form 9 and CSE Form 6 on the CSE's website;
 - 3.1.5 the Corporation (a) shall have authorized and reserved for issuance such number of Common Shares that may be issuable upon conversion of the Debentures and exercise of the Warrants to be issued in connection with the First Closing and (b) shall be authorized to issue such Common Shares to the Investor pursuant to the policies of the CSE and upon issuance of such Common Shares to the Investor such Common Shares shall be freely trading Common Shares;
 - 3.1.6 the Share Lending Agreement shall have been duly executed by the parties thereto (in form and content acceptable to the Investor) and such Share Lending Agreement has not been contested and is fully in force between the relevant parties thereto;
 - 3.1.7 the sale and issuance of the Debentures issuable at the First Closing, the Warrants and the issuance of the Common Shares issuable upon the conversion of the Debentures and the exercise of the Warrants are exempt from the requirement to file a prospectus or registration

statement and the requirement to prepare and deliver an offering memorandum or similar document under any applicable law relating to the sale of the Common Shares, or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or similar document;

- 3.1.8 delivery of a legal opinion dated the First Closing Date from the Corporation's counsel as to the conditions set out in Sections 3.1.3 through 3.1.6 above, in form and substance acceptable to the Investor and its legal counsel, acting reasonably;
- 3.1.9 the representations, warranties and certifications of the Investor addressed to the Corporation in this Subscription Agreement, including in any other document delivered to the Corporation in connection with the Investment, are accurate and remain true and correct as at the First Closing Date; and (ii) the covenants and obligations of the Investor (as applicable to the First Closing) in this Subscription Agreement, including in any other document delivered to the Corporation in connection with the Investment, shall have been complied with or performed by the Investor, in all material respects, on or before the First Closing Date;
- 3.1.10 the representations, warranties and certifications of the Corporation addressed to the Investor in this Subscription Agreement, including in any other document delivered to the Investor in connection with the Investment, are accurate and remain true and correct as at the First Closing Date; and (ii) the covenants and obligations of the Corporation (as applicable to the First Closing) in this Subscription Agreement, including in any other document delivered to the Investor in connection with the Investment, shall have been complied with or performed by the Corporation, in all material respects, on or before the First Closing Date;
- 3.1.11 no order ceasing or suspending trading in the Common Shares on any stock exchange shall have been issued and no proceeding for such purposes shall be pending or threatened provided that if the Corporation fails to file its financial statements in accordance with the timelines prescribed under Canadian securities laws, including as a result by the Corporation for a management cease trade order, such order shall be deemed to be pending;
- 3.1.12 delivery of an officer's certificate by each of the Corporation and the Investor certifying (i) constating documents, (ii) authorizing board resolutions; (iii) incumbency; and (iv) that the condition in 3.1.9 or 3.1.10, as applicable, has been satisfied;
- 3.1.13 the Corporation shall have delivered a certificate of the issued and outstanding Common Shares from the transfer agent for the Corporation on the First Closing Date;
- 3.1.14 there shall not exist any Event of Default that remains uncured;
- 3.1.15 there shall not exist any binding commitment which respect to a Change of Control of the Corporation;
- 3.1.16 the Corporation shall deliver to the Investor a copy of a certificate of insurance from an insurance broker in respect of the Corporation and each Subsidiary, dated as of or within fifteen (15) days of the First Closing, identifying insurers, types of insurance, insurance limits, policy terms, names of insureds, additional insureds or loss payees (including the designation of additional insured with respect to all property and liability insurance); and
- 3.1.17 no payment shall be owing by the Corporation to the Investor pursuant to this Subscription Agreement, except for any Transaction Expenses or other amount, to the extent the parties agreed in writing that such payment shall occur by way of set-off against (i.e., deduction from) the Subscription Amount payable by the Investor to the Corporation in connection with the First Closing.

- 3.2 Other Closings. The obligations of the Investor and the Corporation to complete the purchase and sale of Debentures at each subsequent Closing (other than the First Closing) are conditional upon the satisfaction of, or compliance with, or waived (to the extent waiveable) by the party who benefits from the condition, the following conditions (the **Other Closing Conditions**):
- 3.2.1 all necessary regulatory and CSE approvals (if any) required for the completion of the transactions contemplated under this Subscription Agreement shall have been obtained prior to the applicable Closing;
 - 3.2.2 upon (i) the conversion of all outstanding Debentures and the relevant Debentures to be purchased and sold at the relevant Closing, using a hypothetical Conversion Price equal to the closing price of the Common Shares on the last Trading Day prior to the relevant Closing Date; and (ii) the exercise of all outstanding Warrants, the Investor shall hold less than 19.99% of the outstanding Common Shares (taking into account any Common Shares held by the Company on such date), unless otherwise consented to by the Investor;
 - 3.2.3 the average daily value traded of the Common Shares over the trailing twenty (20) Trading Days – trimmed for 10% of the Outliers - is higher than two thousand five hundred dollars (\$2,500);
 - 3.2.4 with respect to the Second Closing, the Corporation shall have completed a twenty to one (20:1) consolidation of the Common Shares (the “**Share Consolidation**”);
 - 3.2.5 before or after the applicable Closing Date, the Corporation shall have posted CSE Form 9 and CSE Form 6 on the CSE's website;
 - 3.2.6 the Corporation shall (a) have authorized and reserved for issuance such number of Common Shares that may be issuable upon conversion of (i) the Debentures to be issued in connection with the relevant Closing and (ii) the Debentures outstanding which have not been converted on the relevant date, and (b) shall be authorized to issue such Common Shares to the Investor pursuant to the policies of the CSE and upon issuance of such Common Shares to the Investor such Common Shares shall be freely trading Common Shares;
 - 3.2.7 the sale and issuance of the Debentures issuable at the applicable Closing and the issuance of the Common Shares issuable upon the conversion of the Debentures are exempt from the requirement to file a prospectus or registration statement and the requirement to prepare and deliver an offering memorandum or similar document under any applicable law relating to the sale of the Common Shares, or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus or registration statement or delivering an offering memorandum or similar document;
 - 3.2.8 the Lent Shares shall have been delivered to the Investor in accordance with the terms of the Share Lending Agreement and such Share Lending Agreement has not been contested and is fully in force between the relevant parties thereto;
 - 3.2.9 delivery of a legal opinion dated the applicable Closing Date from the Corporation's counsel as to the conditions set out in Sections 3.2.1 and 3.2.5 through 3.2.6 above, in form and substance acceptable to the Investor and its legal counsel, acting reasonably;
 - 3.2.10 the representations, warranties and certifications of the Investor addressed to the Corporation in this Subscription Agreement, including in any other document delivered to the Corporation in connection with the Investment, are accurate and remain true and correct as at the applicable Closing Date; and (ii) the covenants and obligations of the Investor (as applicable to such Closing) in this Subscription Agreement, including in any other document delivered to the Corporation in connection with the Investment, shall have been complied with or performed by the Investor, in all material respects, on or before the applicable Closing Date;

- 3.2.11 if prior to the applicable Closing Date, the Investor requests that the Corporation file and use its commercially reasonable efforts to be receipted for a Qualifying Prospectus in accordance with Section 7 of this Subscription Agreement, a Qualifying Prospectus shall have been filed and receipted on or before the applicable Closing Date;
 - 3.2.12 delivery of an officer's certificate by the Corporation certifying that the condition in Sections 3.2.8, 3.2.11, 3.2.13 and 3.2.14 have been satisfied;
 - 3.2.13 no order ceasing or suspending trading in the Common Shares on any stock exchange shall have been issued and no proceeding for such purposes shall be pending or threatened; provided that if the Corporation fails to file its financial statements in accordance with the timelines prescribed under Canadian securities laws, including as a result by the Corporation for a management cease trade order, such order shall be deemed to be pending;
 - 3.2.14 the Corporation shall have delivered a certificate of the issued and outstanding Common Shares from the transfer agent for the Corporation on the applicable Closing Date;
 - 3.2.15 there shall not exist any Event of Default that remains uncured;
 - 3.2.16 there shall not exist any binding commitment with respect to a Change of Control of the Corporation;
 - 3.2.17 no payment shall be owing by the Corporation to the Investor and no delivery of Common Shares resulting from a conversion of the Debentures or the exercise of any Warrants by the Investor shall remain outstanding pursuant to this Subscription Agreement, except for any Make-Whole Amount or other amount to the extent the parties agreed in writing that such payment shall occur by way of set-off against (i.e. deduction from) the Subscription Amount payable by the Investor to the Corporation in connection with the applicable Closing; and
 - 3.2.18 the Commitment Period shall not have lapsed.
- 3.3 Mutual Co-operation and Efforts to Satisfy Conditions. The Corporation and the Investor shall work cooperatively and shall use all commercially reasonable efforts (so far as lies within their respective powers) to ensure that the Closing Conditions are satisfied as soon as practicable.
- 3.4 Confirmation of Satisfaction or Waiver. The parties shall notify each other in writing when the Closing Conditions relevant to them have been satisfied or waived by them. Each Closing will then take place in the manner provided in Section 2 on the applicable Closing Date.
- 3.5 Restriction on Additional Subscriptions. Notwithstanding any part of this Subscription Agreement, the Investor shall not be required to subscribe for additional Debentures if the Common Shares underlying the Debentures to be issued on an applicable Closing, together with Common Shares and other securities convertible into or exercisable for Common Shares beneficially owned (directly or indirectly) by the Investor, would exceed 19.9% of the issued and outstanding Common Shares of the Corporation.

4 The Investor's Representations and Warranties

The Investor represents and warrants to, and covenants with, the Corporation (and acknowledges that the Corporation is relying on them), that both as at the execution date of this Subscription Agreement and at each Closing Date (and in each case in relation to the circumstances subsisting at the relevant date such representations, warranties and covenants are given, repeated or deemed given or repeated, and which representations, warranties and covenants shall survive the Closings):

- 4.1 Organization and Authority. The Investor:
- 4.1.1 is a securitisation fund (*fonds de titrisation*) duly set up and validly existing under the laws of the Grand Duchy of Luxembourg.
 - 4.1.2 Has all requisite power and authority to enter into and perform its obligations pursuant to this Subscription Agreement.
- 4.2 Validity. This Subscription Agreement has been duly authorized, executed and delivered by the Investor, and constitutes legal, valid and binding obligations enforceable against the Investor in accordance with its terms.
- 4.3 No Conflict. The execution and performance by the Investor of its obligations under this Subscription Agreement and the consummation of the transactions contemplated hereby do not and will not violate or conflict with the terms of any restriction, agreement or undertaking respecting purchases of the Debentures by the Investor.
- 4.4 Investment Understanding. The Investor:
- 4.4.1 has such knowledge in financial and business affairs as to be capable of evaluating and assessing the merits and risks of its Investment (including the potential loss of its entire Investment); and
 - 4.4.2 is able to bear the economic risk of loss of its Investment.
- 4.5 Compliance with Luxembourg Laws. The Investor:
- 4.5.1 has knowledge and experience, and/or has consulted its own advisors, with respect to the Investment and applicable securities laws in Luxembourg;
 - 4.5.2 is purchasing the Debentures in compliance with or pursuant to exemptions from any prospectus, registration or similar requirements under the applicable securities laws of Luxembourg, and the purchase and sale of the Debentures does not trigger any obligation under such laws to prepare and file a prospectus, registration statement or similar document, or any other report with respect to such purchase and/or any registration or other obligation on the part of the Corporation; and
 - 4.5.3 will hold, sell or otherwise dispose of the Debentures or the Common Shares issuable upon the conversion of the Debentures in accordance with all applicable securities laws in Luxembourg.
- 4.6 No Legal Proceedings. No litigation, arbitration or other judicial or regulatory proceeding is pending or, to the knowledge of the Investor, threatened by or against it before any court or any tribunal that could reasonably be expected to have any adverse effect on the ability of the Investor to execute, perform and comply with its obligations under this Subscription Agreement. No bankruptcy or similar proceedings have been commenced or are pending or proposed in respect of the Investor.
- 4.7 Location of the Investor. The Investor's registered and head office are located in Luxembourg, and the Investor does not carry on any operations or business activities in Canada.

4.8 Acknowledgements. The Investor acknowledges that:

- 4.8.1 no securities commission or similar regulatory authority has reviewed or passed on the merits of the Debentures, the Warrants or the Common Shares issuable upon the conversion of the Debentures and the exercise of the Warrants;
- 4.8.2 no prospectus or offering memorandum within the meaning of applicable securities laws in Canada purporting to describe the business and affairs of the Corporation has been delivered to the Investor in connection with the Investment;
- 4.8.3 the Corporation has advised the Investor that the Corporation is relying on an exemption from the requirements to provide the Investor with a prospectus and to sell the Debentures and the Warrants through a person or company registered to sell securities under applicable Canadian securities laws and, as a consequence of acquiring the Debentures and the Warrants pursuant to this exemption, certain protections, rights and remedies provided by the applicable Canadian securities laws, including statutory rights of rescission or damages, will not be available to the Investor;
- 4.8.4 it has been independently advised as to restrictions with respect to trading in the Debentures, the Warrants or the Common Shares issuable upon the conversion of the Debentures and the exercise of the Warrants imposed by applicable Canadian securities laws, confirms that no representation (written or oral) has been made to it by or on behalf of the Corporation with respect thereto other than as set forth herein; and
- 4.8.5 acknowledges that it is aware of the characteristics of the Debentures and the Warrants, the risks relating to an investment therein and of the fact that it may not be able to resell the Debentures, the Warrants or the Common Shares issuable upon the conversion of the Debentures and the exercise of the Warrants.

5 Corporation's Representations and Warranties. The Corporation represents and warrants to, and covenants with, the Investor (and acknowledges that the Investor is relying on them), that both as at the execution date of this Subscription Agreement and each Closing Date (and in each case in relation to the circumstances subsisting at the relevant date such representations, warranties and covenants are given, repeated or deemed given or repeated, and which representations, warranties and covenants shall survive the Closings):

- 5.1 Organization and Authority. The Corporation, and each of its subsidiaries (the **Subsidiaries**), is validly existing and in good standing under the laws of its jurisdiction of formation or incorporation and has the corporate power and authority to own its assets, conduct its business as presently conducted and to enter into, and comply with its obligations under this Subscription Agreement (including, for the avoidance of doubt, the issuance of the Common Shares upon the conversion of the Debentures and the exercise of the Warrants).
- 5.2 Validity. This Subscription Agreement has been duly authorized, executed and delivered by the Corporation and constitutes legal, valid and binding obligations enforceable against it in accordance with its terms.
- 5.3 No Conflict. The execution and performance by the Corporation of its obligations under this Subscription Agreement and the consummation of the transactions contemplated hereby does not (i) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which it is a party or by which it is bound; (ii) violate any of the terms or provisions of its constating documents; or (iii) violate any authorization, judgment, decree or order or any statute, law, rule or regulation applicable to it, in each case that would materially adversely affect the ability of the Corporation to perform its obligations under this Subscription Agreement.

- 5.4 Authorizations. The Corporation and each of its Subsidiaries has obtained all material licences, consents, permits and other material authorizations needed by it in order to conduct its business and execute, perform and comply with its obligations under this Subscription Agreement, and all such authorizations are valid and subsisting and in full force and effect.
- 5.5 Capital Structure. The Corporation's authorized capital consists of an unlimited number of Common Shares. As of the date of this Subscription Agreement:
- 5.5.1 there are no outstanding securities of the Corporation other than: (i) 78,164,744 Common Shares issued and outstanding as fully paid and non-assessable common shares in the capital of the Corporation, (ii) 5,887,500 options to purchase Common Shares, (iii) 11,137,424 warrants exercisable into 11,137,424 Common Shares, and (iv) any Debentures issued pursuant to this Subscription Agreement;
 - 5.5.2 to the knowledge of the Corporation, after reasonable inquiry, no person has a beneficial interest in 20% or more of the issued and outstanding Common Shares;
 - 5.5.3 other than the securities referred to in Section 5.5.1 or as subsequently disclosed to the Investor in writing, there are no outstanding agreements or undertakings to which the Corporation is a party, or by which it is bound, obligating it to offer, issue, deliver, sell, repurchase or redeem or cause to be offered, issued, delivered, sold, repurchased or redeemed any shares in its authorized capital or obligating it to grant or enter into any such option, warrant, call, right, commitment or agreement;
 - 5.5.4 all of the issued and outstanding Common Shares in the Corporation and in each Subsidiary are duly authorized, validly issued and fully paid; and
 - 5.5.5 other than pursuant to the terms and conditions of any securities of the Corporation outstanding as of the date of this Subscription Agreement, no person has any right to require the Corporation or any of its Subsidiaries to, at any time, offer, transfer, create, issue or allot any share, loan capital or other securities (or any rights or interest in them) of the Corporation or any of its Subsidiaries, and neither the Corporation nor any of its Subsidiaries has agreed to confer any such rights, and no person has claimed any such right.
- 5.6 Indebtedness. The Corporation has no Indebtedness that ranks higher than the Debentures.
- 5.7 Debentures and Warrants Duly Authorized. The issuance of the Debentures and the Warrants pursuant to this Subscription Agreement, the Common Shares issuable upon the conversion of the Debentures and exercise of the Warrants has been duly and validly authorized by all necessary corporate actions of the Corporation and when issued in accordance with the terms of this Subscription Agreement and the terms of the Debentures and the Warrants, such Common Shares will be duly and validly issued, fully paid and non-assessable, free of all Liens and will not be subject to pre-emptive rights, rights of first refusal or other restrictions on transfers. The Corporation has authorized and reserved a sufficient number of Common Shares for issue upon the conversion of the Debentures and exercise of the Warrants, assuming all twenty (20) Tranches of Debentures are issued in full, all Debentures are converted in full and Warrants exercised in full in accordance with their terms.
- 5.8 Accurate Public Record. The Corporation acknowledges that the Investor has relied upon publicly available information relating to the Corporation and its Subsidiaries that has been filed with Canadian securities regulators on www.sedar.com (the "**Public Record**") and represents and warrants that the representations contained in the Public Record are accurate in all material respects and omit no material fact required to be stated therein, the omission of which would make the filings comprising the Public Record or such representations misleading in light of the circumstances in which such statements or representations were made.

- 5.9 Accurate Disclosures of all Material Facts and Material Changes. There is no material fact or material change (as those terms are defined under applicable securities laws) affecting the Corporation or its Subsidiaries required to have been disclosed under applicable securities laws that has not been disclosed to the public in accordance with applicable securities laws. For clarity, there currently exists no confidential filing of the Corporation or its Subsidiaries with any securities regulators and the Corporation has not provided any non-public material information to the Investor. No Material Adverse Effect has occurred.
- 5.10 Restrictions Regarding Issuance of Debentures and the Warrants. The Corporation represents and warrants that no order ceasing or suspending trading in any securities nor prohibiting the sale of any securities of the Corporation has been issued by any governmental authority or is outstanding against the Corporation and, to the knowledge of the Corporation, no investigations or proceedings for such purposes are pending or threatened.
- 5.11 Reporting Issuer Status. The Corporation is a reporting issuer under applicable securities laws in the Provinces of British Columbia, Alberta and Ontario and its Common Shares are listed for trading on the CSE. The Corporation is not in default in any material respect of any requirement under such securities laws or the rules of the CSE.
- 5.12 No Legal Proceedings. No litigation, arbitration or other judicial or regulatory proceeding is pending or, to the knowledge of the Corporation, threatened by or against it before any court or any tribunal that could reasonably be expected to have any adverse effect on the ability of the Corporation to execute, perform and comply with its obligations under this Subscription Agreement, including the issuance of Debentures and the Warrants to the Investor. No bankruptcy or similar proceedings have been commenced or are pending or proposed in respect of the Corporation or any of its Subsidiaries.

6 The Corporation's Covenants

- 6.1 General Covenants. The Corporation hereby covenants and agrees with the Investor for the benefit of the Investor, that so long as any Debentures remain outstanding:
- 6.1.1 To Give Notice of Default. The Corporation shall promptly notify the Investor in writing upon obtaining knowledge of any Event of Default hereunder.
- 6.1.2 Preservation of Existence. Subject to the express provisions hereof, the Corporation will carry on and conduct its activities, and cause its Subsidiaries to carry on and conduct their businesses in all material respects in accordance with applicable laws and, subject to the express provisions hereof, it will do or cause to be done all things reasonably required to preserve and keep in full force and effect its existence and the existence of each Subsidiary, except for the winding-up or liquidation of a non-material Subsidiary in the ordinary course of the Corporation's business as an investment issuer.
- 6.1.3 Keeping of Books and Records. The Corporation will keep or cause to be kept proper books of record and account in respect of the Corporation and each Subsidiary in accordance with generally accepted accounting principles and shall make such books and records available for inspection by the Investor (or any representative thereof) upon reasonable notice during normal business hours.
- 6.1.4 Perform Covenants. The Corporation will duly and punctually perform and carry out all covenants, agreements and ask for things to be done by it as provided for in this Subscription Agreement and each of the other documents delivered to the Investor in connection with the Investment.

- 6.1.5 Maintain Listing. The Corporation will use reasonable commercial efforts to obtain and maintain the listing of the Common Shares on the CSE and to maintain the Corporation's status as a "reporting issuer" not in default of the requirements of applicable securities laws.
- 6.1.6 Exclusivity. The Corporation shall not draw down any variable rate equity financings (being, for these purposes, the issue of any equity securities (or debt securities carrying the right to convert into, or otherwise acquire, equity securities) for which the conversion, redemption or exercise price is variable, including but not limited to equity lines and convertible debt structures similar to the structure of the transaction contemplated in this Subscription Agreement) currently in place (other than this Subscription Agreement) or participate in any such variable rate equity financings, unless the variable rate element of such financing may only occur after the later of (a) the date which falls twelve (12) months from the date of this Subscription Agreement (b) the date on which any and all Debentures shall have been fully converted. The Corporation shall pay an amount equal to 5% of the principal amount of any financing procured by the Corporation from a third party investor in violation of this paragraph as liquidated damages in the event that the Corporation breaches the exclusivity provisions of this paragraph. The parties acknowledge and agree that such liquidated damages are a genuine pre-estimate of the Investor's actual losses with respect to such breach.
- 6.1.7 No Indebtedness. Except with the prior written consent of the Investor (which shall not be unreasonably withheld or delayed), the Corporation shall not, and shall not permit any Subsidiary, whether existing as at the date hereof or formed after the date hereof, to incur Indebtedness provided, however, that if no Event of Default shall have occurred and be continuing at the time, the Corporation and any Subsidiary may incur Permitted Debt. Notwithstanding the foregoing, the Corporation shall not drawdown any variable rate equity financings (such as equity lines) currently in place or participate in any variable rate equity financings, unless the variable rate element of such financing (e.g., issuance or redemption of Common Shares) may only occur after the date on which any and all Debentures issued under this Subscription Agreement shall have been fully converted, or otherwise reimbursed, repaid or cancelled.
- 6.1.8 No Liens. Neither the Corporation nor any Subsidiary shall create, incur, assume or permit any security interest or lien upon any of its property and assets, except Permitted Liens.
- 6.1.9 Insurance. The Corporation shall maintain, and shall cause each Subsidiary to maintain, property and liability insurance to insure their respective businesses and operations against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses.
- 6.1.10 Conduct of Business. The Corporation covenants and agrees that the Corporation and each Subsidiary will conduct its business in a manner that will not materially and adversely affect the business, operations or financial condition of the Corporation and its Subsidiaries, as a whole, or the Corporation's ability to perform any of its obligations under this Subscription Agreement and the other documents delivered to the Investor in connection with the Investment to which it is a party.
- 6.1.11 Taxes. The Corporation agrees that the Corporation and each Subsidiary will, from time to time, pay or cause to be paid all taxes, lawfully levied, assessed or imposed upon or in respect of its property and assets or any part thereof or upon its income and profits as and when the same become due and payable and to withhold and remit any amounts required to be withheld by it from payments due to others and remit the same to any governmental authority; provided, however, that the Corporation and each Subsidiary shall have the right to contest in good faith and diligently by legal proceedings any such taxes, and during such contest, may delay or defer payment or discharge thereof if such delay, deferment or discharge is reasonable and provided it has taken appropriate reserves on its book in accordance with IFRS.

- 6.1.12 Compliance with Laws. The Corporation will and will cause each of its Subsidiaries to observe and comply, in all material respects, with all applicable laws.
- 6.1.13 Defend Title. The Corporation agrees that each of the Corporation and the Subsidiaries will defend the title of its property and assets against any material claims and demands of all persons other than the Investor and the holders of Debentures, holders of Warrants, and holders of Permitted Liens.
- 6.1.14 Access. Subject to Section 6.1.17, upon reasonable prior notice and during normal business hours and no more than once in any calendar quarter, the Corporation and each Subsidiary shall, at any reasonable time or times, grant free and full access to and, subject to reasonable health, safety and environmental concerns, permit the Investor (and its advisors) to visit every site, facility or property of the Corporation and the Subsidiaries and to review all books of account, data and records.
- 6.1.15 No Disposition or Acquisition. The Corporation covenants and agrees that neither the Corporation nor any Subsidiary shall dispose of or acquire any material assets outside of its ordinary course of business as an investment issuer, provided however that this Section 6.1.16 shall not restrict or prohibit in any way any disposition or acquisition between the Corporation and any Subsidiary or between Subsidiaries where such acquisition or disposal would not reasonably be expected to result in a Material Adverse Effect and/or a breach or default under this Subscription Agreement or any other document delivered to the Investor in connection with the Investment (including, for the avoidance of doubt, the Debentures and the Warrants).
- 6.1.16 No Material Non-Public Information. The Corporation shall not communicate any non-public material information about the Corporation or its Subsidiaries or any of their respective businesses to the Investor or any of its Affiliates, and in the event of any disclosure of any such information, the Corporation shall promptly, and by no later than the following Business Day, make public said information through a press release; provided, however, that this Section 6.1.17 shall not apply to any information disclosed to the Investor in exercising its rights under Sections 6.1.3 or 6.1.14 or otherwise with the prior written consent of the Investor.
- 6.1.17 Register. The Corporation shall (i) create, maintain and make available to the Investor a register setting out the principal amount of the Debentures outstanding, the number and type of Warrants outstanding, as the case may be, the number of Common Shares issuable upon conversion of the Debentures and upon an exercise of all the Warrants and (ii) promptly update such register in respect of any issuance of additional Debentures upon a Closing, any Conversion Notice, Investor Call Notice and any Warrant Exercise Notice.
- 6.1.18 Press Release. The Corporation shall provide to the Investor a draft of any proposed press release in connection with this Subscription Agreement and the transactions contemplated hereby at least two (2) Business Days prior to its proposed dissemination date, and shall consider all reasonable comments from the Investor thereon.
- 6.1.19 Performance of Subscription Agreement. The Corporation shall perform and carry out all of the acts and things to be completed by it as provided in this Subscription Agreement, including, without limitation, making all requisite filings required to be made by it under applicable Canadian securities legislation and applicable stock exchange rules, if any, to report the issuance of the Debentures and the Warrants and the issuance of the Common Shares upon the conversion of the Debentures and exercise of any of the Warrants.
- 6.1.20 Share Consolidation. The Corporation shall procure that the Share Consolidation shall be completed as soon as practicable following the date of this Subscription Agreement, but in any event within 60 days from the date of this Subscription Agreement. In the event that the Share Consolidation is not completed for any reason on or prior to the date falling 60 days from the date of this Subscription Agreement, the Corporation shall pay to the Investor on demand as

liquidated damages an amount equal to sixty per cent (60%) of the principal amount of the first tranche of Debentures outstanding by way of wire transfer of immediately available funds to such bank account of the Investor as notified by the Investor to the Corporation in writing. The parties acknowledge and agree that such liquidated damages are a genuine pre-estimate of the Investor's actual losses with respect to such breach, and shall be in addition to any other rights and remedies that the Investor may have under this Subscription Agreement.

6.2 Set-offs.

6.2.1 The Subscription Amount payable by the Investor pursuant to Section 2.3 in connection with the Investor's purchase of Debentures on each applicable Closing (other than the First Closing) may be reduced by an amount equal to the aggregate undisputed Make-Whole Amount, submitted in writing by the Investor to the Corporation on or prior to the fifth (5th) Business Day prior to the applicable Closing Date (in each case, to the extent not already set-off against the applicable Subscription Amount on a prior Closing Date).

6.2.2 Upon receipt of a Make-Whole Amount calculation from the Investor, the Corporation shall be deemed to have agreed to such calculation unless it provides written notice to the Investor of its objection (with reasonable details) of such calculation within two (2) Business Days. If the Corporation disputes the Make-Whole Amount calculation, the parties shall work expeditiously and in good faith in an attempt to resolve such dispute within a further period of two (2) Business Days. If the parties fail to reach a resolution as to the calculation of the Make-Whole Amount, the dispute will be submitted for determination to an independent national firm of chartered accountants nominated by the Investor (acting in its sole discretion) and will not be subject to appeal, absent manifest error. The appointed accountants shall be deemed to be acting as experts and not as arbitrators, and their fees (and any reasonable and documented legal or other ancillary expenses relating to such dispute and resolution thereof) shall be borne by the Corporation.

6.2.3 Notwithstanding Clause 6.2.1 above, the Investor may elect, by written notice to the Corporation not less than two (2) Business Days prior to the applicable Closing Date: (i) to settle the Make-Whole Amount payable to the Investor through the issuance to the Investor by the Corporation of such number of Common Shares as is equal to the Make-Whole Amount divided by the Conversion Price associated with the Debentures issued upon the Closing of the next Tranche following the obligation of the Corporation to pay the Make-Whole Amount arising; or (ii) for the Corporation to make a cash payment to the Investor in the amount of the aggregate Make-Whole Amount in lieu of a set-off against the applicable Subscription Amount, which payment shall be made on the applicable Closing Date.

6.3 Share Consolidation. At such time when the Common Shares of the Corporation are listed and trading on the CSE at any time following the Second Closing, if the closing price of the Common Shares on the CSE shall have been lower than \$0.05 per share for a period of more than forty-five (45) consecutive Business Days, the Corporation shall, upon the written request of the Investor, as soon as reasonably practicable approve a consolidation of the Common Shares such that on the Business Day on which such written request was received, the closing price of the Common Shares would have been at least \$0.10 per share had the consolidation been effective on such date.

6.3 Additional Covenants. The Corporation covenants and agrees that, so long as (i) any Debentures remain outstanding and (ii) permitted under applicable law, it shall promptly notify the Investor of:

6.3.1 any actions, suits or proceedings of which it becomes aware which are pending against or, to the best of its information, knowledge and belief, affecting it or any of its undertaking, property and assets at law, in equity or before any arbitrator or before or by any governmental authority that would be reasonably expected to cause a Material Adverse Effect;

- 6.3.2 the occurrence of any event of which it becomes aware which has had or would reasonably be expected to have a Material Adverse Effect; and
- 6.3.3 the occurrence of an Event of Default.
- 6.4 Additional Negative Covenants. The Corporation hereby covenants and agrees that, except with the prior written consent of the Investor, so long as any Debentures remain outstanding, it will not, and will ensure that no Subsidiary:
- 6.4.1 except as expressly contemplated or permitted hereunder, purchase, buy back, redeem, retire, repurchase, cancel or otherwise acquire for cash any security of the Corporation (including, without limitation options, warrants, conversion or exchange privileges and similar rights in respect of shares), other than pursuant to the terms and conditions of any securities of the Corporation outstanding as of the date of this Subscription Agreement;
- 6.4.2 makes any change to its constating documents that would reasonably be expected to have a Material Adverse Effect, including changes in their respective names without providing the Investor with at least thirty (30) days prior written notice;
- 6.4.3 pays out any shareholder loans or other Indebtedness to non-arm's length parties, except in accordance with their terms in the ordinary course of the Corporation's business, consistent with past practice (for clarity, without acceleration), or enters into any transaction with any non-arm's length parties other than on commercially reasonable terms;
- 6.4.4 except as expressly contemplated or permitted hereunder, make any payment to, or declare any amounts payable to, its shareholders, Affiliates or executives (other than commercially reasonable or existing contractual salaries and bonuses in the ordinary course), including, without limitation, the declaration or payment of dividend to the holders of the Corporation's issued and outstanding Common Shares, provided however that the Corporation may make payments to the Subsidiaries and the Subsidiaries may make payments among themselves;
- 6.4.5 guarantee the obligations of any other person, directly or indirectly, other than obligations permitted by this Subscription Agreement, including any Permitted Debt;
- 6.4.6 enter into or become party or subject to any dissolution, winding up, reorganization, arrangement or similar transaction or proceedings, except for the dissolution or winding-up or liquidation of a non-material Subsidiary in the ordinary course of the Corporation's business as an investment issuer; or
- 6.4.7 engage in the conduct of any business other than its business as existing on the date of this Subscription Agreement or in any related, ancillary or complimentary business.
- 6.6 Notice of Changes. The Corporation will promptly notify the Investor if the Corporation discovers that any of the above representations, warranties or undertakings cease to be true, accurate, complete and correct, and shall provide the Investor with appropriate information in connection therewith.

7 Qualifying Prospectus

If the Corporation or the Investor determines, upon the written advice of its legal counsel, after consultation with legal counsel to the Investor or the Corporation (as applicable), (i) that the Common Shares to be issued upon the conversion of the Debentures and an exercise of the Warrants will not be freely tradeable at the time of issuance, and (ii) that no exemption from the obligation to file a prospectus under Canadian securities laws that does not impose a hold period is available to the Investor, acting reasonably (it being understood that "acting reasonably" shall include the continued truth and accuracy of the representations and warranties of the Investor in this Subscription

Agreement), then the Investor shall have the right to require the Corporation to promptly file and use commercially reasonable efforts to be receipted for a Qualifying Prospectus on or before four (4) months after the execution of this Subscription Agreement, so that the resale of such Common Shares will not generally be subject to prospectus requirements or any "hold period" under Canadian securities laws.

8 Termination

8.1 This Subscription Agreement shall automatically terminate upon the earliest to occur of a Closing not occurring by the relevant Closing Date.

8.2 This Subscription Agreement may be terminated by mutual written consent of the parties.

8.3 This Subscription Agreement may be terminated immediately by the Investor upon delivery of a written notice to the Corporation upon the occurrence of (i) an Event of Default or (ii) a Change of Control. In the event that the Investor terminates the agreement pursuant to this Section 8.3, the Investor shall have the right to require the Corporation to redeem all or any of the Debentures then outstanding in cash at a redemption price of 105% of the principal amount of the Debentures outstanding. The Corporation shall pay such redemption price within five (5) Business Days of a termination pursuant to this Section 8.3 by way of wire transfer of immediately available funds to the bank account of the Investor notified to the Corporation.

8.4 Upon termination of this Subscription Agreement, the parties shall be released from all of their obligations under, and shall have no further liability arising out of, this Subscription Agreement except:

(a) any liability arising before or in relation to such termination shall survive;

(b) each party's obligations under this Section 8 and the Investor's right to be paid the Commitment Fee shall survive;

(c) the exclusivity provisions under Section 6.1.6 shall survive and

(d) as otherwise specifically provided in this Subscription Agreement, including that the covenants of the Corporation in Section 6 shall remain outstanding and in full force and effect while any of the Debentures remain outstanding.

8.5 Time. Time shall, in all respects, be of the essence hereof.

8.6 Currency. Unless otherwise indicated, all references herein to monetary amounts are to lawful money of Canada.

8.7 Indemnity. The Corporation agrees to indemnify and hold harmless the Investor and its Affiliates and each of their respective directors, officers, employees, agents, partners and investors (collectively "**Indemnified Parties**") from and against any and all actions, claims, losses, damages, liabilities, obligations, penalties, fees, costs and expenses (including legal fees) and taxes (together, "**Losses**") incurred by such Indemnified Parties, whether prior to or from and after the date of this Subscription Agreement, arising out of or in connection with this Subscription Agreement, the certificates representing the Debentures, the certificates representing the Warrants and/or any of the other transaction documents and the transactions contemplated hereby and thereby, including any actual or threatened claim, litigation, investigation or proceeding relating to: (i) the negotiation, preparation, execution or performance or enforcement of this Subscription Agreement, the certificates representing the Debentures, the certificates representing the Warrants and/or any of the other transaction documents; (ii) any claim or matter in connection with the transactions contemplated by this Subscription Agreement, the certificates representing the Debentures, the certificates representing the Warrants and/or any of the other transaction documents; (iii) the Subscription Amounts paid to the

Corporation under this Subscription Agreement and the Corporation's use of the proceeds thereof; or (iv) the Investor relying on any instructions of the Corporation. To the extent that the undertaking to indemnify and hold harmless the Indemnified Parties as set forth in this Section 8.7 may be unenforceable, the Corporation shall contribute the maximum portion of such Losses of the Indemnified Parties which it is permitted to pay and satisfy under applicable law.

- 8.9 Maximum Interest Rate. Notwithstanding any other provisions of this Subscription Agreement, if the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under this Subscription Agreement, the certificates representing the Debentures and/or the certificates representing the Warrants would otherwise contravene the provisions of section 347 of the Criminal Code (Canada), or any other successor or similar legislation, or would exceed the amounts which the Investor is legally entitled to charge and receive under any law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and to the extent that any excess has been charged or received, the Investor shall apply such excess against any outstanding obligation for the repayment of the principal amount under the Debentures and refund any further excess amount.
- 8.10 Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.
- 8.11 Entire Agreement. Except as expressly provided for in this Subscription Agreement and in the agreements, instruments and other documents provided for, contemplated or incorporated herein, this Subscription Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understanding. This Subscription Agreement may be amended or modified in any respect by written instrument only executed by both parties.
- 8.12 Severability. If any provision of this Subscription Agreement or portion thereof or the application thereof to any person or circumstance shall to any extent be illegal, invalid or unenforceable, the remainder of this Subscription Agreement or the application of such provision or portion thereof to any other Person or circumstance shall not be affected thereby and the parties will negotiate in good faith to amend this Subscription Agreement to implement the intentions set forth in this Subscription Agreement. Each provision of this Subscription Agreement shall be legal, valid and enforceable to the fullest extent permitted by law.
- 8.13 Assignment. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Investor, the Corporation and their respective successors and permitted assigns; provided that except as herein provided, this Subscription Agreement and the rights and entitlements hereunder shall not be transferable or assignable by any party without the prior written consent of the other. The Investor may transfer or assign its rights and entitlements hereunder to an Affiliate of the Investor that is neither located nor carrying on any business, operations or activities in Canada and the Corporation may transfer or assign its rights and entitlements hereunder in connection with any Change of Control.
- 8.14 Governing Law. This Subscription Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the parties hereto hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- 8.15 Facsimile or Email Signature. The Corporation shall be entitled to rely on delivery of a facsimile copy (or a scanned and emailed version) of an executed subscription and acceptance by the Corporation of such subscription shall be legally effective to create a valid and binding Agreement between the Investor and the Corporation in accordance with the terms hereof.
- 8.16 Notices. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Subscription Agreement shall be in writing and shall be

effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by email or in each case to the applicable address set out below:

8.16.1 if to the Corporation:

Silo Wellness Inc.
200 Consumers Road, Suite 702
Toronto, Ontario M2J 4R4

Attention: [Redacted – Personal Information]
Email: [Redacted – Personal Information]

[Redacted – Personal Information]

Attention: [Redacted – Personal Information]
Email: [Redacted – Personal Information]

8.16.2 if to the Investor:

GLOBAL TECH OPPORTUNITIES 14
[Redacted – Personal Information]
Attention: [Redacted – Personal Information]
Email: [Redacted – Personal Information]
and with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP
200 Bay Street, Suite 3800
Royal Bank Plaza, South Tower
Toronto, Ontario, Canada M5J 2Z4

Attention: [Redacted – Personal Information]
Email: [Redacted – Personal Information]

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of emailing, provided that such day in either event is a Business Day and the communication is so delivered, emailed or sent before 4:00 p.m. (Toronto time) (being the closing of trading on the CSE) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt. Any party may from time to time change its address under this Section 8.16 by notice to the other party given in the manner provided by this Section 8.16.

8.17 Language. The Investor acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the issuance of the Debentures and the Warrants be drawn up in the English language only. **Le soussigné reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à l'émission des titres faisant l'objet du présent contrat soient rédigés en anglais seulement.**

- 8.18 Further Assurances. Each of the parties hereto upon the request of the other parties hereto, whether before or after the Closing, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as reasonably may be necessary or desirable to complete, better evidence, or perfect the transactions contemplated herein.
- 8.19 Survival. The covenants, representations and warranties contained herein shall survive the completion of the Closings and the transactions contemplated hereby.
- 8.20 Confidentiality and Publicity. Except and only to the limited extent required by applicable law (in which case the disclosing party shall make reasonable efforts to provide prior notice to the other party), each of the parties hereto agrees not to, directly or indirectly, make any public announcement or statement or communication or disclosure of whatever nature regarding this Subscription Agreement, the Investment or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed).
- 8.21 Costs. Except as otherwise expressly provided in this Subscription Agreement, all costs and expenses incurred in connection with this Subscription Agreement and the transactions contemplated herein are to be paid by the party incurring such expenses. If this Subscription Agreement is terminated, the obligation of each party to pay its own expenses will be subject to any rights of such party arising from a breach of this Subscription Agreement by the other party.

9 Execution

This Subscription Agreement may be executed in any number of counterparts and may be executed and delivered by facsimile, all of which when taken together shall be deemed to be one and the same document.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF the parties hereto have executed this Subscription Agreement as of the date first above written.

SILO WELLNESS INC.

Per: [Redacted – Personal Information]
[Redacted – Personal Information]
[Redacted – Personal Information]

Per: [Redacted – Personal Information]
[Redacted – Personal Information]
[Redacted – Personal Information]

GLOBAL TECH OPPORTUNITIES 14

Per: _____
[Redacted – Personal Information]
[Redacted – Personal Information]

